Fostering Ethical Competence in Managerial Leadership

A Eudaimonistic Perspective

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BBS (Dub), MA (Dub)

Submitted in fulfilment of requirements for the degree of

Doctor of Philosophy

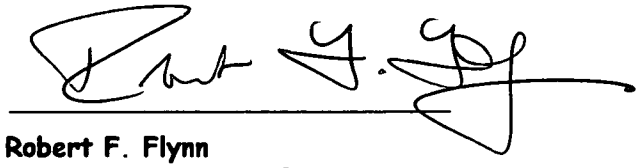
University of Tasmania

2003

Declaration

This dissertation contains no content that has been previously accepted for a degree or diploma awarded by the University of Tasmania or any other institution.

The material presented is original except where due acknowledgement is given.



Robert F. Flynn

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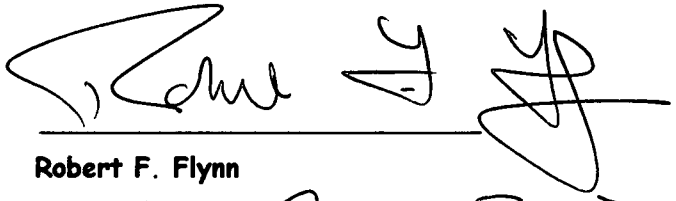

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Abstract

Since the late 1980s the need for improved ethical sensibility, on the part of those in managerial leadership roles, has been widely recognised throughout Australian society. Unfortunately, while the hortatory nature of the discourse has been both loud and consistent, what has been lacking is any firm set of guidelines on how to bring about the necessary improvement. The argument presented in this essay represents one attempt to address that shortcoming. In particular, I will show that a discipline I call *critical eudaimonistic reflection* can play a pivotal role in cultivating the sort of deliberate character needed to underwrite ethically competent leadership practice.

I begin by establishing firm ground on which to postulate a robust conceptualisation of managerial leadership. In doing this, I identify the notions of trust and community as pivotal themes. Specifically, I show that an ability to build and maintain a high-trust community lies at the core of what effective managerial leadership is all about. Moreover, as trust and community are concepts rich in ethical implication, I show how a meaningful conceptualisation of ethical competence can be built around them.

By way of addressing the challenge posed by the mythical figure of the *hard-nosed decision-maker* (the budget-conscious senior corporate executive holding the authority to commission leadership development programmes), I argue for learning to work within the prevailing corporate idiom. This includes ensuring adherence to the correct vernacular, and also the selection and adoption of suitable conceptual models. I show how one particular model of strategic change planning can be successfully employed to re-cast the development challenge in a manner that not only guarantees idiomatic compliance, but that also ensures that consideration is given to the relevant variables.

One such variable consists in the need for a robust syllabus structure. I argue that when human character is the developmental focal point, the syllabus can be appropriately built on a virtue ethics platform. More specifically, I argue for adoption of one particular neo-Aristotelian expression of the ancient doctrine of *eudaimonism*. I go further to show how the syllabus content can be shaped so as to expedite the acquisition of competence in critical eudaimonistic reflection.
I finish with the claim that neither recognition of the need for a development programme aimed at character cultivation, nor availability of a robust syllabus, will of themselves guarantee enthusiastic participation in such a project. To achieve that, in the Australian corporate context, I argue that one must be capable of overcoming the perception that the subject matter is too vague and esoteric. I address this by describing a strategy, currently being employed, with some success, a number of test sites. I close off by suggesting some ways in which it can be improved in light of lessons learned to date.

To honour the memory of my mother, Lily Flynn

Acknowledgements

To my supervisor, Professor Jeff Malpas. Your guidance, assistance, and encouragement were essential to my getting over the many obstacles encountered along the path to completing this work.

To my co-occupants of Room 372 (*aka* "The *House of Pain*"), especially Pauline, Graham, and Miranda. Your contribution went well beyond the intellectual stimulation always on offer. Just as important were the good humour and camaraderie, and your exhortations to "just get it finished".

To Dr Moira Nicholls for your encouragement during my early days as a philosophy student. To Dr Anna Alomes for the inspiration provided by your work ethic and general support.

To Professors Jay Garfield (Smith College, MA), Joanne Ciulla (University of Richmond, VA), and John Kekes (SUNY – Albany, NY), for not only the time graciously made available to me out of busy schedules, but also your friendship and hospitality during my visits to the US.

To my family and friends for suffering through it all with me. I know you're as relieved it's over as I am.

To write and submit a philosophical doctoral dissertation has been a dream dear to my heart for a long time.

Thank you, to one and all, for helping make it come true.

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Prologue

Prologues and epilogues are recognised devices employed, respectively, to set the scene for, and later close off on, the type of discourse that carries a storyline of some sort. While many essays in the broad field of moral philosophy do not follow such a pattern, this one does. To begin with, the project started out as a PhD candidature in the field of organisation and management (O&M) studies, and migrated its way into ethical enquiry.

By the early 1990s there was a great deal of economic and social upheaval in Australian society. One specific manifestation of the sort of discontent associated with the upheaval was the widespread popular disenchantment with the gross excesses of corporate greed displayed during the late 1980s. Communities were also struggling to come to terms with the deleterious effects of two major recessions. On top of all this, there was a noticeable build-up of momentum in what I term the *new efficiency imperative*. In short, this can be described as the managerial injunction to 'do more, with less, under conditions of ever greater scrutiny and accountability'. Needless to say, an important upshot of attempts to implement this imperative was a significant increase in on-the-job stress levels, together with a corresponding decrease in satisfaction levels.

My personal acquaintance with these developments resulted from roles in corporate management during the 1980s, and subsequent work as a management consultant. This involvement provided ample opportunity for close observation of management practice *in practice*. By the mid 1990s, I had arrived at the conclusion that poor managerial leadership was exacerbating an already acute problem, often resulting in even higher stress levels on the part of affected stakeholders. I set out, accordingly, as an O&M student, to

formulate a more systematic understanding of this perceived deficiency in managerial leadership, in the hope of eventually being able to offer some prescriptive guidelines on how to improve the situation. As a necessary starting point for purposes of academic rigour, however, my intuitive concerns needed to be validated in some empirical way; and, assuming this could be done, then the precise nature and extent of the problem would need to be correctly and comprehensively articulated.

At roughly the time these concerns were peaking, the Australian federal government published the findings of a major three-year research project conducted under the direction of the specially commissioned *Industry Task Force on Leadership and Management Skills.* The formal title of the final report was *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century*. But as members had worked under the chairmanship of David Karpin, a leading figure in corporate Australia at the time, it quickly became informally known as the *Karpin Report*. (Hereafter, I will simply refer to the Task Force, the Karpin Study, and the Karpin Report when the need arises.) As will be seen in Chapter 1, this authoritative document lent considerable empirical support to the intuitive concerns that had motivated me in the first place. But there was a surprise in store.

While conducting a detailed review of this two-volume, eighteen-hundred page tome, I was simultaneously turning my attention to the relevant literature on leadership. Doing so, I came across what I thought was an intriguing title, *Ethics: The Heart of Leadership.* I was surprised to discover that the volume editor, Joanne Ciulla, was a professional philosopher, and that several of the contributing authors came from backgrounds in the humanities. Most intriguing of all, however, was discovering the existence of a discipline, *leadership ethics*, which seemed to offer a range of important insights into precisely the sorts of concerns that had stimulated commencement of my

project. Among issues addressed in the book were abuse of power by those with positional authority, problems with trust, attitudes to obligation and responsibility, and so forth. The eventual outcome of this unanticipated discovery was a decision to re-position the project from one located in the discipline of O&M studies to that of applied ethics.

As I became progressively more familiar with the leadership ethics literature, I was impressed and encouraged by most of it. Indeed, I believe the corporate world is indebted to those professionally-trained philosophers now paying attention to organisational leadership, among them Ciulla, Solomon, Flores, Hartman, Werhane, Gini, Freeman, to name but some of the prominent contributors. Their work makes a telling contribution to the type of critical discourse now required. The same cannot be said of the musings of those management theorists and commentators who attempt to position themselves as 'ethical gurus'. As Ciulla correctly points out, the charlatans generally distinguish themselves by quickly "running out of steam" when something substantive needs to be said on ethical questions.

Their good work, notwithstanding, leadership ethicists need to take care when it comes to plying their trade in the cut and thrust arena of actual corporate life. This is a vastly different cultural biosphere to that of the philosophical academy, where appeals to reason, logic and rational argument prevail. A whole different set of norms and values combine to shape the cultural milieu of business management and leadership, and it has as much to do with the workings of the gut and the heart as those of the head.

As my investigation progressed, accordingly, I became increasingly worried by what might happen to the well-intentioned ethicist who, unprepared for what to expect, ventures forth into the world of corporate Australia hoping to convince the *powers that be* to pay more attention to matters of ethical

sensibility. I was not so much concerned that her claim would be summarily rejected, on pointing out the need for more refined levels of ethical consciousness among corporate leaders. Indeed, she would likely be met with a fairly sympathetic ear. (Our business leaders do, after all, read newspapers just like the rest of the community. As such, they too are well aware of the many blatant and egregious examples of unethical behaviour that litter the annals of recent corporate leadership in this country.) Instead, I was concerned on account of the disappointment she is likely to feel on discovering that the *prima facie* sympathetic hearing generally does not quickly translate into commitment to reform-oriented action. If you define a problem for someone, and they agree it is indeed a serious issue, then logic suggests they will be motivated to do something about it. But philosophical logic and what passes for corporate decision-making logic often travel along divergent planes.

Thus, convincing senior-level decision-makers of the benefits of allocating scarce resources to the systematic development of ethical sensibility, constitutes a much bigger challenge than convincing them of the existence of the need. In fact, I believe this to be *the* major obstacle to the advancement of applied leadership ethics in this country. If we cannot get the decision-makers to move from intellectual acquiescence to sponsorship commitment, we effectively fail as applied practitioners. The reader is put on notice, therefore, that what follows is intended to be unashamedly pragmatic in its tone. As the reader will discover in Chapter 3, a major component of my investigation consisted in a three-year ethnographic style study of the daily cut and thrust leadership affairs of one leading Australian organisation. This produced several phenomenological insights that materially informed the gradual unfolding of the overall argument.

In closing, let me suggest that the reader might find it helpful to consider what follows as an account of a *work in progress*. The work in

question started in the early 1990s as little more than a form of crude phenomenological observation and reflection. It became systematised as an O&M research project. But on discovering that the issues involved appeared to have strong ethical connotations, the project migrated into the domain of applied ethics. And, as will become clear on reading the Epilogue, much more needs to be done by way of further applied research and fine-tuning. In the meantime, the vision that inspires me is that of playing a role in bringing my two sets of professional colleagues, corporate leaders and applied ethicists, into more mutually rewarding engagement.

Chapter 1

A Blindspot in Australian Managerial Consciousness

1.1 Introduction

1.11 Outline of the argument

This essay may be thought of as falling logically into three broad segments. In the first, comprising the arguments of this opening chapter, I set the scene by presenting empirical evidence that support the initiating intuitions described in the Prologue. In the second, approximating the arguments presented in Chapters 2–4, I offer an account of the nature of managerial leadership. I eventually conclude that a case can be made for suggesting that a solid platform for a plausible ethics of leadership can be constructed around the notions of trust and trust-building, assuming that these concepts are understood to include a rich emotional underpinning. In the final segment, Chapters 5 and 6, I move to the question of how to formulate, and 'sell' to corporate decision-makers, a strategy for developing a form of enhanced ethical sensibility based on such a foundation. In doing so, I undertake two primary tasks. The first is to argue that, from an applied ethics perspective, it is essential to be able to satisfy the needs and concerns of a hypothetical figure I call the *hard-nosed decision-maker.* My point here is to suggest that unless a solid 'business case' can be presented, the applied ethicist may well receive a sympathetic hearing vis-a-vis the perceived need, but still fail to engender sufficient commitment from management to enable the developmental work to proceed.

In this opening chapter, therefore, I set the scene for what follows by completing a number of introductory tasks. First of all, in the remainder of §1.1, I make my position clear on two issues that bear upon the overall thesis, doing so for the purpose of averting unnecessary confusion and ambiguity down

the track. One involves offering an acknowledgement of the complex nature of the managerial role *per se*, while the other responds to the need to be specific about one's perspective when discussing work organisations.

The second task, described in §1.2, is to provide a brief description of the work of the government appointed *Industry Task Force on Leadership and Management Skills*. In §1.3, I describe how a preliminary excursion into the leadership literature revealed, *inter alia*, the existence of the discipline of *leadership ethics*. In §1.4, and in demonstration of why it is justifiable to view the unfolding of the project as a 'storyline'[1], I describe a set of circumstances that completely changed the direction and focus of my work. In effect, I describe how insights gained from the leadership ethics literature caused me to interpret the earlier survey findings in a completely new light. This, in turn, leads me to argue that a blindspot can be identified in contemporary Australian managerial consciousness, namely, the apparent inability to see, within an acknowledged deficiency profile of practising leadership, any shortcoming in terms of inadequate levels of ethical sensibility. My final task in the chapter is to provide readers with a 'roadmap' to guide them through the remainder of the essay. This I do in §1.5.

1.12 The nature and complexity of managerial work

Throughout the argument that follows, I subscribe to the classic definition of a manager as referring to those individuals who carry professional responsibility for getting work done through the efforts of others, in addition to their own. I also subscribe to the formulation that breaks the managerial role down into four constituent functions: planning, organising, leading, and

[1] As discussed in the Prologue.

coordinating.[2] On this view, and at an admittedly very simple level, it can be seen that leadership is a component function within the managerial role. Or, to use the common contemporary parlance, leadership is a *subset* of management.

One way of preempting an objection in respect of the overly simplistic picture painted above, is to place the four constituent activities in the context of manager-stakeholder relations. Hosmer, following Freeman, defines the corporate stakeholder as "any group or individual that can affect or is affected by the achievement of the firm's objectives".[3] Using this definition, a manager's stakeholder group can initially be thought of as sub-dividing into two categories, internal and external. While this continues to offer a fairly benign picture, the next level of detail brings out the potential complexity.

The internal stakeholder group includes non-managerial process workers of all kinds[4], those in the management and supervisory roles, and on-site trade union representatives. It also includes the 'management team' as a discrete entity, and the various work groups as discrete social entities.

The external stakeholder group includes clients[5], banks and other financial institutions[6], professional firms providing a range of services relating to accounting, auditing, management consulting, staff training, staff recruitment, and so forth. Also in this category are goods suppliers (raw

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[2] An excellent summary of the history of managerial scholarship, which gives ample attention to the "classical" schools, can be found in Marvin Weisbord, *Productive Workplaces* (New York: Basic Books, 1987), pp. 45-70.

[3] As quoted in La Rue Tone Hosmer, *'Why be Moral? A Reply to Shaw and Corvino'*, Business Ethics Quarterly, Volume 7, Issue 4, (1997), p. 140.

[4] This category includes filing clerks, typists, data entry operators, stores personnel, couriers, cleaners, and so forth

[5] This group is further divisible into such groupings as major-minor, government-private, credit-cash, and so forth

[6] For instance, institutions dealing with insurance, pension fund administration, specialist investment advisory services, and so forth.

materials, consumables, et cetera), professional membership bodies[7], public interest groups[8], government and other regulatory agencies[9], trade union and employer representative bodies, and so forth.

Thus, the managerial role can be seen to include the planning, organising, leading and coordinating of an almost infinite array of potential interactions between any or all of the above stakeholders. Indeed, this listing is neither complete nor exhaustive. But it is surely comprehensive enough to illustrate the diversity of human interests and relations involved in a small-sized organisational setting containing no special or unusual circumstances.[10] Moreover, it hints at the extent of the ethical challenge involved in effectively managing such a complex conglomeration of interests. Precisely how this challenge is interpreted is itself a problematic question for two reasons.

First, as the upcoming evidence will show, ethics remains a poorly understood discipline at the level of applied managerial practice. Many managers continue to entertain the simplistic notion that it is fundamentally about explicitly drawn up professional codes (e.g. the code of ethics for the Australian Society of Agronomists, as displayed in the Agritest head-office foyer). For such individuals, the following unspoken injunction often applies: "If an ethically explicit code does not apply to my job or my profession, then ethics is one less thing with which I have to concern myself". Second, there are several competing systems within the formal field of ethical enquiry that do

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[7] For instance, The Australian Society of Agronomists, The Institute of Chartered Accountants, and so forth.

[8] Such as those interested in sustainable agricultural practices, genetic engineering, et cetera.

[9] Such as those responsible for setting and monitoring standards relating to control of pesticides and other chemicals.

[10] I make this claim as a practising management consultant with a portfolio of approximately two hundred corporate clients, drawn from both the government and private sectors. The circumstances of this particular organisation can be classified as 'typical' for an organisation employing approximately five hundred people in the contemporary Australian environment.

not agree with one another in respect of fundamental ethical questions. For instance, the three well-known platforms of deontology, consequentialism, and virtue ethics each construe the moral agenda in its own idiosyncratic way.[11] One way or the other, however, there is significant complexity associated with the ethics of organisational leadership. This will be more fully explored in Chapter 4. For the moment, it should suffice simply to take note of the claim.

1.13 The organisation as a 'human community'

A modern work organisation can legitimately be viewed as a system of inter-acting process technologies. For example, a vertically integrated steel producer will utilise relevant interacting technologies for geophysical exploration, ore mining, smelting, production planning, manufacturing, marketing and distribution, accounting, and so forth. Alternatively, it can be seen as an economic system that monitors the transfer of raw material inputs (e.g. iron ore) into higher-value outputs (e.g. processed stainless steel household goods). Yet again, it can be viewed as an information processing and intellective[12] system that, for instance, identifies and interprets market demand indicators and transfers them into product development blueprints. Looked at from yet another perspective, it can be viewed simply as a place of employment for large numbers of people.

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[11] These will be explored in more detail in Chapter 6.

[12] I have only encountered the word 'intellective' on one occasion, and that was in Zuboff's excellent description of the impact of technological change on workers in the American paper manufacturing industry. She uses the term to describe the type of cognitive ability needed to interpret reality through the medium of symbolic representation. Thus, when computer based control systems were introduced into pulp mills in the 1970s and 1980s, she found that many workers struggled to apprehend meaning in the environment of 'abstraction' associated with symbolic representation of plant functioning. Shoshana Zuboff, *In the Age of the Smart Machine: The Future of Work and Power*, (New York: Basic Books, 1988), pp. 76-82.

While no discussion has taken place as yet concerning the substantive nature of managerial leadership, it is reasonable to say that it is essentially a human interactive phenomenon. After all, it is difficult to conceive of the role of *leader* in the absence of the logical counterpoint, *follower.* As we shall see in Chapter 2, a defensible interpretation of leadership posits its as a relational process in which one party non-coercively influences others in the pursuit of some common purpose or goal. From this, it can readily be deduced that leader and follower co-exist within human communities. It is not possible to be one or the other in social isolation.

A human community can be thought of as any group of people working or living together under a set of shared circumstances, where the latter can include some form of shared commitment to a superordinate goal or goals, commonly held values, and respect for the same rules and behavioural norms. The extent to which the community is robust and tightly knit will be determined by the extent to which the latter are commonly held and accepted. But, by definition, any group calling itself a community can be assumed to have some minimum level of cohesiveness along these lines. In the argument that follows, in which I address the matter of organisational leadership and its ethical intricacies, I will do so from a perspective that holds the work organisation to be primarily a *human community*.

1.2 The Karpin Study

The reader will recall from the Prologue that the original concern motivating my enquiry was a subjectively held view arising from prolonged personal involvement in and observation of the world of Australian management practice. Commencing the formal enquiry as an O&M scholar, I sought in the first instance to validate these concerns by seeking out

evidentiary support from secondary-source research. As it happened, research findings were available from two unrelated sources.

1.21 Background

In 1992 the Australian federal government commissioned an industry task force to investigate a range of issues pertinent to strengthening leadership standards in Australian government and industry. It was known as the Task Force on Leadership and Management Skills. It in turn commissioned Professor David Midgley of the Australian Graduate School of Management at the University of New South Wales, to design and carry out a research programme commensurate with the following terms of reference:

- Examine and provide information to business and government on world-wide enterprise trends and best practice in the development of manages, including supervisors or first-line managers.
- Promote and encourage awareness of the importance of leadership and management skills to enterprise productivity, innovation and international competitiveness, and recommend measures for fostering enterprise commitment to the continual development of managers.
- Examine and report on the management training and advisory needs of small and medium sized businesses and advise on strategies to meet those needs.
- Initiate and oversee a review of higher education award and non-award programs, the inclusion of management content in other programs at graduate and undergraduate levels and the administration, resourcing and delivery of management programs in higher education.
- Identify and advise on measures to improve management and supervisory *syllabus* and delivery by TAFE and other training providers. (b) Identify and advise on measures to strengthen *syllabus* and to improve the provision of relevant training in small business skills by TAFE and other training providers. (c) Advise on the implications of such

measures to improve the quality and effectiveness of leadership and management skills in Australia.

- Provide advice on other measures to improve the quality and effectiveness of leadership and management skills in Australia.

This eventually played out in a total of twenty-seven separate research projects. The programme commenced with a conceptualisation and design phase in the period January to March 1993; with the majority of the actual data-gathering taking place in the six months from October 1993 through March 1994. Methods employed included desk research, literature review, analysis of statistics, individual and group discussions, focus group interviews, personal interviews, telephone interviews, and questionnaire surveys. In total, across the twenty-seven constituent projects, the experiences, opinions, and advice of over 4,800 individual managers and organisation development experts were collected.

The extent of the overall programme rendered it "... one of the most extensive exercises of its kind undertaken in the world in recent years."[13] Given the nature and extent of the programme's terms of reference it is not surprising that the final reporting of the Task Force consisted in 1,845 pages of written submissions in three volumes. No attempt will be made here to provide a comprehensive coverage of all the above. Instead, I will present a summary of relevant key findings, and then work towards the conclusions pertinent to my enquiry.

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[13] Industry Task Force on Leadership and Management Skills, *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century* (Canberra: Commonwealth of Australia, 1995), p. 2.

1.22 Key Findings

F1 Describing managers and leaders

Managers – those responsible for the achievement of enterprise goals through the work of others as well as their own – have a major role to play in shaping a new era in the economic and social development of Australia.[14] To an arguably greater extent than at any previous time in the nation's economic history, they are expected to exert significant influence over the nation's standard of living, levels of employment, and quality of life. In line with the classical formulation of Fayol[15], the overall managerial enterprise is itself broken down into four constituent functions: planning, organising, leading, and coordinating. Of these, leading or leadership is the function that seeks to align the aspirations of individual constituents with legitimate enterprise goals, and to do so in non-coercive ways. As such, it implies the patterns through which the manager demonstrates behaviours and characteristics which serve to shape the work group's guiding values and beliefs, and which induce individuals to identify with those ideals. Thus, the leadership function is the one through which a collection of individuals (the followers or constituents) – who may be indifferent, neutral or even hostile – can potentially be transformed into a committed and cohesive team with a shared vision and values. Accordingly, there exists a clear correlation between standards of management and leadership practice, and the anticipated overall wellbeing of individual agents, collections of individuals, and indeed, the nation as a whole.[16]

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[14] The Task Force takes this new era to be the twenty-first century, and refers to it as "the Asia-Pacific Century". The title "Asia-Pacific Century" is intended to convey the Task Forces' conviction that this region is likely to become the economic focal point of world trade in the near future.

[15] Henri Fayol, *General and Industrial Management*, (London: Pitman, 1949).

[16] Based on this formulation, there are over 900,000 managers in Australia out of an overall population of circa 17, 500.000. There is, accordingly, a significant number of people with the capacity to exert some form of mediating influence over the well-being of others, both directly and indirectly. See *Enterprising Nation: Renewing Australia's Managers to Meet the*

F2 Competency Mix

To be effective in a managerial role requires a different and more complex set of competencies than those required for most non-managerial or individualist roles. Non-managerial roles require specialist competencies with emphasis on the 'technical' functionality demanded by the job. (For example, if my role as a laboratory scientist is to prepare slides for microscopic inspection by the plant pathologist, then the main bundle of competencies required is largely constituted by relevant scientific knowledge and skills.) But the role of manager - precisely because it involves getting work done through the efforts of others - demands a very different competency profile. Again turning to Fayol's traditional conception, one can immediately see that the manager must develop a much more eclectic set of competencies to meet the demands of functions that vary as widely as planning, organising, leading, and coordinating. Whilst the successful carrying out of these four functions will clearly involve some level of technical appreciation of the work activity of subordinates, it should nonetheless be clear that the competency emphasis lies elsewhere. The complexity of the required competency mix can be sensed by reflecting on the fact that modern managers are typically expected to succeed in accommodating a number of key demands which not readily mutually reconcilable. Consider the following:

- Managers are responsible for representing the interests of shareholders and owners, who typically expect a maximisation of return on their financial investment.

- They are responsible for supplying product and service to customers in line with the latter's full range of expectations, contractual and otherwise.

Challenges of the Asia-Pacific Century, Vol. 1, (Canberra: Commonwealth of Australia), 1995, pp. 29- 57.

- They must provide employees, individually and collectively, with every reasonable opportunity to enjoy rewarding, satisfying, and fulfilling working lives.

It should be noted that this does not represent an exhaustive list of managerial responsibilities, but it does capture some sense of the complexity of the challenge of being an effective manager.

F3 Profiling the "ideal manager"

Having set the scene by drawing attention to these sorts of issues, the Task Force went on to disclose the "disturbing finding" that competency standards observable in Australian management were currently falling well short of normative ideals. A key piece of evidence supporting this claim came from one of the twenty-seven constituent projects. The relevant survey set out to identify two main indicators: (a) the characteristic competencies of the "ideal manager", and (b) the perceived strengths and limitations of Australian managers in cross reference to the ideal.[17]

From structured interviews with ninety-one experienced respondents, a profile was constructed which identified the eight characteristics considered the hallmarks of the ideal manager. The percentage of those consulted nominating each feature was also noted. The resulting profile is shown in Table 1.1 on the following page.

When asked to compare the perceived strength-weakness profile of Australian managers against this normative ideal, what emerged was a significant negative discrepancy. Of the eight attributes nominated, six were identified as weaknesses of Australian managers. More specifically, they were typically perceived to:

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[17] *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century,* Vol. 1, (Canberra: Commonwealth of Australia, 1995), pp. 521-535.

- lack vision
- lack a strategic perspective
- operate poorly in the teamwork arena
- tend towards inflexibility and rigidity in their thinking
- demonstrate poor people skills
- tend towards complacency in self-management.[18]

The project report concludes that, in summary, according to respondents: " ... the ideal manager is an ideal which few Australian managers live up to at the present time."[19]

Characteristic		% of respondent nominations
1.	People skills	75%
2.	Strategic thinker	58%
3.	Visionary	52%
4.	Flexible & adaptable to change	50%
5.	Self management	33%
6.	Team player	32%
7.	Ability to solve complex problems	25%
8.	Ethics/high personal standards	23%

Table 1.1 Characteristics of the 'Ideal Manager' (as per Karpin)[1]

F4 Required competencies

Having thus concluded that the overall standard of Australian leadership and management does not rate highly in comparison to normative ideals and international best practice benchmarks,[20] the Task Force then went on to identify ways in which the perceived shortcomings might be systematically rectified. Towards this end, a number of the constituent surveys were directed

[18] Ibid., p. 548.
[19] Ibid., p. 550.
[20] Ibid., p. 617. It is interesting to note that Australian leadership and management standards were also considered inferior by selected respondents surveyed in four of our major Asian trading partners, namely: Singapore, Malaysia, Indonesia, and Japan.

to the identification of generic competencies in need of remedial attention. Those nominated were:

- knowledge of the job and its context (in part, the technical dimension mentioned earlier)
- problem solving and decision making (once problems have arisen and have been correctly diagnosed)
- situational insight (identified as the ability to assess the requirements of the work situation, including the aspirations, motivations, and needs of others)
- communication ability (referring to a combination of the content of what needs to be conveyed, selection of the manner in which it should take place, and the style and flavour of delivery)
- influence (i.e. ability to influence peers, superiors, and subordinates)
- team management (direction setting, motivation, recognition)
- self-insight (understanding one's own personal psychology)
- drive (i.e. energy and initiative; goal-orientation; persistence)
- adaptability (capacity to learn quickly, and to adapt one's behaviour to a given situation).

F5 Task Force "Vision for the Future"

In its final report the Task Force chooses to encapsulate its overriding response through the articulation of a visionary ideal for the year 2010. This held that by the year 2010 the following will be true of Australian enterprises and their managers:

- Knowledge, the ability to learn, to change and to innovate in the new marketplace, will be accepted as the more relevant criteria for selecting managers than gender, ethnicity or even prior experience.

- The 'learning organisation' will be the standard philosophy for many Australian enterprises and a major way they cope with change and turbulence.

- Managers will create conditions conducive to learning for both individuals and the enterprise as a whole, within and between groups, across individual business units and between enterprises and their external environments. Employees will be more motivated and skilled.

- Quality will act as a guiding light within all organisations with a customer first mentality being all-pervasive. This focus will help improve productivity and profitability in enterprises through a concerted commitment to continual improvement.

- Enterprises will earn higher rates of return on investment than in 1995 and successfully defend and expand their position in the global marketplace.

- Many Australian enterprises will be benchmarked as achieving world best practice in their operations, some will be acknowledged as setting world best practice standards.

To point the way towards realisation of this vision, the Task Force identifies five key challenges. These are:

1. The need for Australia to develop a positive enterprise culture through education and training.
2. The need to upgrade vocational education and training and business support.
3. The need to capitalise on the talents of diversity within the Australian workforce.
4. The need to strive for best practice management development.
5. The need to reform management education.

Before conducting an interpretive analysis of the above findings, I will begin by sketching out the philosophical background relating to the field of *leadership ethics*. I do this explicitly because some of the insights associated

with this background informed, in no small way, my evolving understanding of the issues involved here. (I will return to the analysis in §1.4 following.)

1.3 Leadership Ethics

1.31 The term 'leadership ethics'

While examining the research material described above, I began simultaneously a preliminary review of the leadership literature. While a full exposition of the findings is given in Chapter 2, it is appropriate at this juncture to mention a seminal turning point. I discovered, in effect, an emerging literature on the topic of *leadership ethics*[21].

It is unclear when or where the term 'leadership ethics' was first used, but philosopher Joanne Ciulla has clearly adopted it into her vocabulary. She describes her position in the following terms.

> Because leadership entails very distinctive types of human relationships with distinctive sets of moral problems, I thought it appropriate to refer to the topic as *leadership ethics;* however, my main reason for using the term is that it is less awkward than using expressions like *leadership and ethics* (original italics).[22]

She goes on to characterise it as "... the study of the ethical issues related to leadership and the ethics of leadership".[23] Ciulla sees ethics as consisting in "... the examination of right, wrong, good, evil, virtue, duty,

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[21] The terms *ethics* and *morality* will be used interchangeably throughout this dissertation, as they often are in the literature. Yet philosophers sometimes find it convenient to distinguish between the two. One well accepted differentiation is that of viewing ethics as primarily referring to the systematic general science of right and wrong conduct, especially as it bears upon the goodness of human lives. Morality, in contrast, refers to the actual patterns of conduct, and the direct working rules that guide or dictate those patterns. Without the latter, ethics would be an empty formal abstraction, because philosophers tend to base ethics upon a reflective analysis of moral experience.

[22] Joanne Ciulla, *Leadership Ethics: Mapping the Territory,* in Joanne B. Ciulla (ed.), *Ethics: The Heart of Leadership* (Westport, CT: Praeger, 1998), p. 4.

[23] Ibid., p.4. Her definition is interesting in that it draws attention to the fact that there are both direct and indirect dimensions to the relevance of moral enquiry in leadership. This, if nothing else, provides a further indication of the likely complexity of the topic.

obligation, rights, justice, fairness, and so on, in human relationships with each other and other living things".[24]

There are two noteworthy features of this interpretation. First, it alerts us to the broad-ranging field of coverage embraced within the discipline. Second, it points to the axial role played by human relationships within the ethical enterprise. Alfred Gini, like Ciulla a philosopher with a special interest in organisational leadership ethics, puts this another way in asserting that, "As a communal exercise, ethics is the attempt to work out the rights and obligations we have and share with others." As such, it is "...elementally the pursuit of justice, fair play, and equity." But he also points out that "...the paradox and central tension of ethics lie in the fact that although we are by nature communal and in need of others, at the same time we are by disposition more or less egocentric and self-serving."

One specific passage I came across during this early encounter with the topic struck me as especially noteworthy. This again came from Ciulla, and is worthy of quoting in its entirety. As she puts it:

> Some people become leaders because they have or develop certain talents and dispositions, or because of their wealth, military might, or position. Others lead because they possess great minds and ideas or they tell compelling stories. And then there are people who stumble into leadership because of the times or circumstances in which they find themselves. No matter how people get to be leaders, no one is a leader without willing followers. Managers and generals can act like playground bullies and use their power and rank to force their will on people, but this is coercion, not leadership. Leadership is not a person or a position. It is a complex moral relationship between people, based on trust, obligation, commitment, emotion, and a shared vision of the good. Ethics, then, lies at the very heart of leadership.[25]

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[24] Ibid., p. 4.

[25] 'Joanne Ciulla, *Introduction,* in Joanne B. Ciulla (ed.), *Ethics: The Heart of Leadership,* (Westport: Praeger Publishers, 1998), p. xv.

On first blush, this may strike the reader as offering a quite disconcerting picture of leadership. It does, after all, seem to portray it as an eclectic, disparate, and somewhat confusing miscellany of constructs.

But a more careful analysis pays dividends by bringing into sharp relief some key ideas. At this point, I would like to draw attention to four of them: (a) the relational nature of leadership, (b) its ontological grounded in earned acclamation, (c) the importance of values and value commitments, and (d) a focus on mutual goals and purposes.[26]

1.32 Some key early insights

1.321 The relational nature of leadership

Leadership is about *self* and *others*, and the web of complex relations that can exist between the two. This is evidenced in the last sentence of Ciulla's paragraph. It is clear that Gini supports this view. He states: "Like ethics, labor, and business, leadership is a symbiotic, communal relationship. It's about leaders, followers-constituencies, and all stakeholders involved."[27] He goes further to suggest that it is a necessary requirement of communal existence, adding: "Minimally, it tries to offer perspective, focus, appropriate behaviour, guidance, and a plan by which to handle the seemingly random and arbitrary events of life."[28] As we shall see when attempting to unravel the ethical intricacies[29] of leadership in Chapter 4, this is a pertinent observation in that it suggests where some of those intricacies may lie.

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[26] Before explaining each in more detail, I wish to advise the reader that I will return to many of the themes discussed in this opening chapter at a later point in the dissertation. In Chapter 4, in particular, when giving a fuller account of the concept of ethical sensibility in leadership, I will go beyond the four tenets here being introduced.

[27] Al Gini, *Moral Leadership and Business Ethics,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport: Praeger Publishers, 1998), pp. 27-46.

[28] Ibid., p. 34.

[29] I find the term "ethical intricacy" an especially apt one vis-à-vis leadership analysis, and will use it occasionally throughout the essay for that reason. As with many of the themes

As will be seen in Chapter 6, Western philosophers have long pointed to the *agonistic* nature of reality. Deriving from the Greek notion of *agon*, meaning conflict, the suggestion is that human life is a highly contingent affair, with much of what has to be confronted of a troubling, agony-inducing nature. (The well-known Buddhist aphorism, "Life is ten thousand joys and ten thousand sufferings", offers a supporting view from the Eastern tradition.) Kekes offers a contemporary perspective, pointing to the "permanent adversities" we are forced to face on a daily basis: "Contingency, conflict, and evil are unavoidable features of human existence."[30] On this view, it would seem likely that, in order to be or become a leader capable of demonstrating ethical sensibility, one must attain a deep understanding of the human condition. This would be needed to conduct the relationship with constituents in a manner that helps them cope with the lack of motivation, lack of confidence, and lack of hope that often accompany inability to deal with adversities like contingency, conflict and evil.[31]

In the meantime, suffice to say that leadership can certainly be understood as a communal or social construct that carries with it, in consequence, a need to be able to understand and respond to the vagaries and vicissitudes that are an inevitable part of human life.

1.322 Grounding in earned acclamation

Referring again to the lengthy quotation from Ciulla (§1.31), the claim can be made that leadership is about earned affirmation. The first four sentences in the quoted paragraph make this clear. What she is effectively saying is that 'leadership', when claimed in virtue of institutional position,

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and concepts pursued here, I am indebted to Joanne Ciulla for bringing it to my attention. She uses this particular term in her essay: Leadership Ethics: *Mapping the Territory.*

[30] John Kekes, *Moral Wisdom and Good Lives,* (Ithaca, NY: Cornell University Press, 1995), p. 72.

[31] I will return to this topic in greater detail in Chapter 7.

formal title, organisational hierarchical status, or coercive power, effectively represents a misapplication of the term. Instead, it should be viewed as fundamentally about a certain status being earned by one person (the leader), in virtue of that status being affirmed by another (the *willing* follower). The capacity to earn this type of affirmation, in the structural hierarchy of a modern work organisation, is built around a set of perceptions. These are mainly the perceptions of subordinates, and once adequately reinforced over a period of time, lead to those individuals (would-be followers) deciding to give freely their trust, loyalty, and commitment to the other person (the newly-affirmed leader). As Gini points out in this respect: "Like the "Guardians" of Plato's *Republic*, leaders must see their office as a social responsibility, a trust, a duty, and not as a symbol of their personal identity, prestige, and lofty status."[32] How to win this acclamation is one of the most pertinent and pressing managerial challenges in the contemporary world of industry and government. It is also a critical personal challenge for those in managerial roles who aspire to become leaders.

1.323 Values in leadership

In the second last sentence of the quoted paragraph, Ciulla emphasises that leadership is based on trust, obligation, commitment, emotion, and a shared vision of the good. This suggests that human value commitments are central to the notion. Gini is clearly of this view, defining leadership as a "...power- and value-laden relationship between leaders and followers/constituents who intend real changes that reflect their mutual purposes and goals."[33] He in turn defines values as "... the ideas and beliefs

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[32] Al Gini, *Moral Leadership and Business Ethics,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport: Praeger Publishers, 1998), p. 36.

[33] Ibid., p. 34-35. The reader will note the similarity between this definition and that of Joseph Rost, namely: "Leadership is an influence relationship among leaders and collaborators who intend real changes that reflect the purposes mutually held by both leaders and collaborators."

that influence and direct our choices and actions."[34] But how can one be sure that leadership is a value-centred enterprise? The answer lies in recognising that those in managerial roles, in modern organisations, invariably bring with them their own beliefs, worldviews, biases, foibles, and philosophical views on life, love, and learning. Each will have what Gini calls his or her own "agenda".

Once the interaction begins between manager and subordinate, and once enduring patterns begin to form and become obvious, subordinates are then in a position to make judgements. They will decide, *inter alia*, to invest their trust in the other and ultimately to commit to willing followership, on the basis of whether they perceive the other party's agenda to be one that is compatible with their own best interests. Burns asserts that "...leaders and followers are engaged in a common enterprise; they are dependent on each other, their fortunes rise and fall together".[35] This is suggestive of why he also feels that the essence of the leader-follower relational dynamic only asserts itself when there is something significant at stake – ideas to be clarified, issues to be determined, values to be adjudicated.

I will return to the question of values and leadership on a number of further occasions, most notably in Chapter 7 when discussing the connection between the two notions in the context of virtue ethics. In the meantime, I wish to do not more than make the claim that, in view of the evidence pointed to here, values and value commitments are clearly central to the concept of leadership, as we now understand it.

1.324 Focus on mutual goals and purposes

Let me remind the reader of the four core functions, discussed in §1.12 above, that are classically associated with the role of manager, namely: planning, organising, leading, and coordinating. The first of these highlights

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[34] Ibid., p. 36.

the responsibility managers have to prepare a variety of plans relating to their respective areas of jurisdiction. Thus, a divisional-level manager is typically expected to ensure that at least three sets of mutually consistent plans are in place and being regularly monitored. The first involves identification of a long-term vision of where the division expects to be, say, five years hence. Second, there is the *annual business plan.* This maps out the precise nature and scope of business activity schedules to be undertaken over the next twelve months, and includes a detailed set of financial papers in line with stipulated protocols for sales forecasting, expense and capital budget provisioning, profit forecasts, and so forth. Third, there is the short-term operational plan, often constructed on a monthly cycle. This sets out the major tasks and projects to be undertaken within the division over the nominated period.[36]

I mention these details to draw the reader's attention to the fact that planning activities consume a great deal of the professional manager's time.[37] As such, they represent a regular opportunity for the manager to demonstrate her willingness and capacity for collaborative association. In theory, a manager can conduct all elements of the planning function in isolation and without consultation. Some in fact are renowned for doing this. They are rarely affirmed as leaders however. While the professional manager is expected, therefore, to formulate plans and strategies, true leaders, according to Gini

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[35] James MacGregor Burns, *Leadership* (New York: Harper Torchbooks, 1979), p. 426.

[36] A supportive account relating to managerial planning can be found in many O&M texts. Two that are especially helpful are: (a) Karl Albrecht, *The Northbound Train: Finding the Purpose, Setting the Direction, Shaping the Destiny of Your Organization,* (New York: Amacom, 1994); and (b) Ichak Adizes, *Corporate Lifecycles: How and why organizations grow and die and what to do about it,* (Englewood Cliffs, NJ: Prentice Hall, 1988).

[37] The production of this set of three plans, (a) the division strategic plan, (b) the annual business plan, and (c) the monthly activity plan, is standard practice in most modern Australian business settings, both public and private sector.

"...achieve all this by drawing on the milieu and membership of which they see themselves as merely one part, albeit the most influential one." [38]

In view of this, an attribute required by those aspiring to become leaders, is the ability to recognise and respond to difference and diversity. Different people have different agendas, constituted by such variables as their different personal and professional aspirations, different personality types, and different levels of personal maturity. Given this, it is not difficult to see that aspiring leaders not only need to be receptive to the idea of collaborate exploration, but must also possess the skill to negotiate mutually acceptable outcomes. In fact, Gini believes that a given 'leadership community' - the term he uses to describe any group consisting of leader and followers – will reach its true developmental potential only with the appropriate interplay of two main forces, power and education.[39] This is an important point, the ramifications of which will be become clearer during later discussions, especially those in Chapters 5 through 7.

1.4 Identifying a Blindspot

Let us now return to the Karpin Report and try to interpret the findings in more detail. As was noted earlier, this report was the culmination of a thorough and comprehensive investigation, conducted to the highest standards of professional rigour. Its findings can therefore be taken as presenting an accurate picture of the state Australian management and leadership practice at the time of publication.

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[38] Al Gini, *Moral Leadership and Business Ethics,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport: Praeger Publishers, 1998), pp. 27-46.

[39] Al Gini, *Moral Leadership and Business Ethics,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport: Praeger Publishers, 1998), pp. 27-46.

1.41 Exposing the evidence

To begin with, let us focus our attention once again on Table 1.1. A list of eight characteristics was offered from which respondents were asked to choose what they considered to be hallmarks of the "ideal manager". (Bear in mind that respondents to this particular part of the survey were themselves practising managers.) Results show that only 23% considered *high personal ethical standards* to count. Notwithstanding the fact that the report did not state, in explicit terms, what the respondents precisely understood this to mean, it is surely a statistic that indicates some form of malaise. Moreover, it can be further argued that only one of eight factors made any sort of overt appeal to the potential significance of moral consciousness. Yet, we know from the account provided in §1.3 above that leadership and ethics are deeply connected. In fact, we can go further to suggest that all eight parameters identified are, from the perspective of leadership ethics, ethically ramified to greater or lesser extents.

But note how the survey concluded that "... the ideal manager is an ideal which few Australian managers live up to at the present time". Thus, an interesting deduction can be made in respect of perceived standards of ethical consciousness in the Australian management community. On the one hand, the contribution of ethical consciousness to effective management (the so-called "ideal manager" profile) is poorly appreciated. On the other hand, there is a widespread view that current management practice in any event falls well short of the ideal. Another way of looking at this is to suggest that while there is limited ethical consciousness among those currently in management roles, there is likewise limited consciousness among those offering purportedly expert commentaries on the topic. One way or the other, the picture is less than encouraging.

Even the following observation, taken from one of the individual research reports, failed to elicit any form of commentary concerning either the possibility or gravity of ethical deficiency:

> Quite a number of comments were made regarding the "people skills" of Australian managers. There is a tendency to adopt autocratic styles of management, since managers are "reluctant to let go of the control level", and get things done by "pushing people", rather than motivating and encouraging.[40]

While it might be argued that nothing in this statement points conclusively to unethical managerial practice, it is surely suggestive of limited moral sensibility. "Pushing people", in the sense in which the term can here be interpreted, implies a number of things. First, it hints at subordinates being forced to act in response to some form of coercive stimulus: the 'heavy hand' of authority, the raised voice, the aggressively delivered command, a threat of some kink, and so forth. Indeed, the idea of autocratic style is directly referred to in the quote. Second, it suggests the possibility of injustice in the sense that this form of coercion might well be perceived by its recipients as representing an unfair distribution to them of the harms associated with an abuse of formal positional power. Third, as the upcoming account of the Agritest study will demonstrate, this form of 'pushing' will be interpreted, by at least some subordinates, as an affront to their personal wellbeing and dignity. One does not have to delve too deeply behind the phrase "pushing people", therefore, to come up with at least a hint of diminished ethical consciousness on the part of those doing the pushing.

But what of the objection that occasional 'pushing' is indeed called for in workplace relations between boss and subordinate? My response is to concede the point with a proviso. The proviso holds that, so long as the 'pushing' is

done with what I will term 'an Aristotelian sense of emotional maturity', then I think it may constitute an ethically acceptable practice. Aristotle famously held that displays of emotional maturity are typically characterised by an ability to 'get it right'. As such, my conception of 'an Aristotelian sense of emotional maturity', in the context discussed, would manifest as a form of encouragement or cajoling delivered (a) at the right time, (b) with the right degree of intensity, (c) towards the right individual(s), and (d) for the right reasons. It is the case that in the cut and thrust of a busy and pressured situation, it can be appropriate for a manager to act this way. In this respect, Oakley refers to "...Aristotle's well-known (albeit under-appreciated) claim that moral virtue not only requires acting well, but also having the right emotions in the right way towards the appropriate objects and to the right degree". [41]

However, returning to the quoted original passage from the report, it is fair to suggest that what the writer had in mind was an interpretation of "pushing people" more in the sense of an objectionable form of intervention than one imbued with Aristotelian sensitivity.

I will finish by noting one further indicator of limited ethical consciousness observable from the Karpin account. This time we turn to the vision outlined for the future development of leadership and management capabilities in Australia. Learning opportunities, quality, and international competitiveness are the three dominant themes mentioned in the vision statement (see Table 2). These are, without question, laudable and relevant ideals in the context of the report findings. But nothing in the vision statement can be construed as even remotely inferring any sort of commitment to the

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[40] Industry Task Force on Leadership and Management Skills, *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century* (Canberra: Commonwealth of Australia, 1995), Volume I, p. 842.

[41] Justin Oakley, *Morality and the Emotions*, (London, UK: Routledge, 1992), p. 2.

improvement of ethical standards with reference either to management or leadership, remembering that both are mentioned in the Task Force title.

1.42 Interpreting the evidence

As mentioned earlier, I began this project as an O&M[42] student. Motivated by concerns in respect of perceived shortcomings in the standard of leadership practice, my aim was to conduct a systematic study with a view to offering suggestions on how to improve it. I had assumed that the principal theoretical foundation for these suggestions would come from the behavioural sciences. But on conducting the first part of my research programme, in effect the work described in this chapter, I was drawn to a conclusion that could not be ignored.

It was becoming apparent that those involved in the practice of organisational leadership in contemporary Australia, including the so-called 'expert commentators' invited to participate in the Karpin investigations, had limited ethical consciousness in respect of the leadership role. I should make it clear to the reader that, prior to my encounter with the leadership ethics literature (itself a somewhat fortuitous outcome given that I had not explicitly set out to find it), I had been equally guilty in this respect. In the twenty-four year period (1972 – 1996) I had spent in the corporate world, I too had failed to make any substantive connection between ethics and leadership. If you are unaware of something, it is difficult to be concerned about it. A blindspot is a blindspot.

There is a well-known concept in management education called the "stages of competence model". It describes four states we tend to go through in becoming competent at something. The first is held to be *unconscious*

incompetence. Here the manager, Fred, is incompetent but does not realise it. He carries on blithely plying his trade, often in an arrogant and self-important way. If lucky, at some point he will come to recognise his incompetence and thus make the rather small but nonetheless important move to the next stage, *conscious incompetence*. He is still deficient, but at least he now recognises it. This can often result in a diminution of displayed arrogance, something likely to be appreciated by colleagues. By now he is most probably motivated to do something about the newly recognised incompetence, aware that career prospects could be on the line. If he makes the necessary effort, he may in due course progress to the next stage, *conscious competence*. At this level, Fred is a much better manager, in consequence of paying close attention to his performance and striving to work at improving it. He is good, but he continues to work at it. After much persistent practice at this level, often an entire working-life span, he may eventually go into 'automatic pilot' mode, that is, achieve *unconscious competence*. He is now a fully competent performer, akin to the internationally renowned concert violinist who plays exquisitely on all occasions, without the need to practice any more. An ability to perform to the highest standards in effect becomes a way of being.

I mention this model for two reasons. First, I want to introduce it now so that the reader will be familiar with it when I return to it later in my argument. Second, it is useful in helping to identify the situation that I believe prevails in contemporary Australia. Briefly, the majority of Australian managers are deeply ignorant of the ethical implications of the leadership dimension of their roles. But they are unconcerned by this, not so much because they do not care, but rather because they do not realise it. They are unconsciously

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[42] I remind reader that the abbreviation "O&M", which appears frequently throughout this essay, refers to both the practice of organisation and management, and the discipline of organisation and management studies.

incompetent, as it were, in respect of the ethical domain of their leadership responsibilities.

I believe that with this discovery I have uncovered what can be called a serious blindspot in Australian managerial consciousness. A problem exists, but those who should be concerned about it are not, in view of not recognising it as a problem in the first place. Moreover, the problem is exacerbated by the fact that, as we shall see in Chapter 2, the theoretical domain that traditionally informs the practice of management, O&M studies, has very little to say of a helpful or instructive nature. But, as we saw in the introductory account of the relevant literature offered earlier, professional philosophers have potentially important insights to offer. Nevertheless, at the practical level, it should be noted that unconscious incompetence is arguably the worst of all developmental evils. The reason relates to the difficulty likely to be encountered when trying to motivate those in need of the development.

1.5 Summary and Preview

1.51 *A brief summary*

An extended period of involvement in the Australian corporate community has given me ample opportunity to observe, at first hand, the dynamic relations between managers and their constituents. By the mid-1990s, the accumulated observations had given rise to a strongly felt concern about the lack of sensitivity so often displayed by managers in their dealings with professional colleagues. I was concerned, in particular, by the emergence of what I call the *new efficiency imperative*, which by then had become well entrenched in the collective Australian corporate psyche. People in organisational life – public, private, and not for profit sectors – were increasingly carrying the psychological scarring associated with *the relentless drive to achieve more, with less, under conditions of ever-more-stringent*

scrutiny and accountability. Under such conditions, effective leadership is crucial. But at a time in Australian corporate life when it was most needed, it was conspicuous by its absence.

The findings of the Karpin Report, published in 1995, were to provide important empirical support for these private intuitions and speculations. Of greater significance, however, was the eventual interpretation I arrived at in light of discovering the emergent literature on leadership ethics. Juxtaposing these insights alongside the Karpin findings enabled me to see that, from a systemic cause and effect perspective, the problem appeared to lie not so much in managers lacking sensitivity, or lacking 'people skills' in the parlance of Karpin. These were but observable manifestations of a deeper and more insidious ailment, namely, a foundational deficiency in ethical sensibility[43].

But this was a layman's interpretation, in that I lacked a substantive theoretical grounding in ethics. In consequence, a fundamental choice had to be made. I could continue with the project from a traditional O&M perspective, but in doing so run the risk of compromising my capacity to interpret adequately the ethical implications. Alternatively, I could defer the logical next stage of the investigative process in order to concentrate, in the short term, on building the necessary theoretical grounding in ethics. I opted for the latter.

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[43] In the early chapters I use terms such as ethical sensibility or ethical consciousness. In doing so, I recognise that they are vague and indeterminate. They do, however, convey sufficient meaning for the present stage of the argument. I will later adopt the term "ethical competence", defining it in quite a specific way and validating its selection by contrasting it to a systematic account of degrees of ethical development provided by Bert Dreyfus in Hubert L. Dreyfus, *What is Moral Maturity? A Phenomenological Account of the Development of Ethical Expertise.* (An occasional paper presented at Murdoch University, Perth, Western Australia, 1996.)

The argument that follows is a contribution, accordingly, to the general field of applied organisational ethics. In it I explore the moral[44] intricacies of managerial leadership, but do so from a quite specific perspective. This is a standpoint dictated by the primary and overriding aim of formulating a strategy to foster ethical sensibility among those with *formal*[45] leadership roles to play. In reinforcement of a comment made in the Prologue, and following Freeman, I intend the project to be flavoured throughout by an unashamedly "pragmatic vein".[46]

On re-commencing the investigative process after obtaining the necessary ethics grounding, I was of the opinion that two pivotal tasks needed to be satisfactorily addressed. The first involved the identification of a specific construct, from among the plethora of ethical intricacies associated with leadership practice[47], that might in due course turn out to be an appropriate developmental leverage point. Is there, in other words, some identifiable ethical construct or notion that might lend itself to being the 'lever' which, if correctly pulled, would result in a shift in ethical consciousness among members of the target group? I felt this was a necessary tactical manoeuver because, in the absence of such a determinate leverage point, the project ran

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[44] Throughout the upcoming argument, I use the terms *moral* and *ethical* interchangeably. While this is a common practice among philosophers, it should not hide the fact that they have technically different meanings. I will provide an account of that difference when I deal with the topic of syllabus structure in Chapter 6.

[45] Within all forms of human community, any individual person can potentially play a leadership role. My interest, however, is limited to those who hold formal management or supervisory positions in business corporations, and via these, retain certain leadership responsibilities. The theoretical niceties of this are examined in Chapter 2.

[46] Freeman sums up the feelings and concerns of many of us interested in the field with the admonition that... "There is a great deal of important intellectual work to be done in business ethics. It is time to get on with it, and get on with it in a pragmatic vein." Refer to R. Edward Freeman, (ed.), *Business Ethics: The State of the Art*, (New York: Oxford University Press, 1991), pp. 3-9. It should be noted that, as used here, the term is not meant to imply any reference to the formal philosophical doctrine associated with American thinkers such as Dewey and Peirce.

[47] The nature and extent of these intricacies will be explored in Chapter 4.

the risk of becoming overwhelming, from both practical as well as conceptual perspectives.

The second task was equally daunting, in view of the fact that there was no evidence to suggest that it had previously been attempted in corporate Australia with any degree of transparent success. (Indeed, the wider leadership ethics literature, most of which emanates from the United States, suggests that the position may be similar in the Northern Hemisphere.) The task involves figuring out how to put successfully into practice, in the real-world context, an ethics-based leadership development programme that meets three key criteria. First, it must be conceptually robust in respect of relevant theory relating both to leadership *per se* and to normative ethics. Second, it must be robust in respect of pedagogical considerations pertaining to adult learning in the workplace setting. Third, it must successfully address the entirely pragmatic consideration of how to engender enthusiasm among prospective participants for actual participation.[48]

1.52 Outlining the remainder of the argument

Notwithstanding the seminal role played by the leadership ethics literature in re-directing the focus of my project, it is necessary to keep in mind that it is not a widely read literature within the Australian management community, neither by scholar or practitioner. Instead, the traditional O&M literature continues to play the role of principal conceptual guide to more

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[48] The target audience for the type of programme I have in mind comprises management level personnel whose discretionary time is limited. It is generally quite easy for such individuals to gain a dispensation from participation with the claim: "Gee, I'd love to attend, but frankly, I'm far too busy right now. Come see me again regarding next year's programme." Needless to say, the same excuse is likely to be invoked the following year. Moreover, in the 'real world' of business organisations, there is a tendency for "Murphy's Law" *(If something can go wrong, it will!)* to strike with monotonous regularity. Examples often encountered by developmental programme directors include (a) last minute withdrawals of key personnel, (b) requests for re-scheduling, and (c) illness. Accordingly,

refined managerial thought and practice. I turn to it, accordingly, in Chapter 2 for the purpose of ensuring that no stone is left unturned in establishing a sound theoretical footing in respect of the nature of managerial leadership *per se*.

Mindful of the need ultimately to formulate *practical guidelines* for the fostering of ethical sensibility in the 'real-world' setting, and in response to the shortcomings of a literature that, as we shall see, lacks both structural coherence and theoretical convergence, I felt an additional strain of research was required. In Chapter 3, accordingly, I bring to the investigative process what I call a *humanities perspective.* I do this for the purpose of complementing the largely social scientific grounding that applies to most of the traditional approaches to understanding leadership. In illustration of this perspective, I describe two further investigative tasks undertaken. The first involves an ethnographic-style study conducted, over a three-year period, of the day to day affairs of one specific organisation, *Agritest Laboratories*. The findings of this study are seen to offer an important clue as to how the ethical intricacies of leadership, clearly eclectic and complex in nature, can be reduced to a more manageable package, in terms of both ease of comprehension and heuristic guidance. In particular, it is seen that, in consequence of a distinction drawn between *Real Leaders* and *OK Bosses*, leaders tend to distinguish themselves in virtue of an ability to build and maintain *high trust communities*.

This discovery turns out to be especially germane to my overall argument, in light of the fact that trust is by no means a morally neutral or inconsequential notion. As I make clear in Chapter 4, where a detailed account of the nature of trust is provided, whatever excitement might be associated with uncovering its seminal role must be tempered by the realisation that

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flexibility of both attitude and logistics, together with a high level of personal resilience on the part of the directors, are generally much needed qualities for on-going success.

proposals on trust-building are likely to be received unenthusiastically by the *hard-nosed decision-maker*. This mythical individual possesses the all-important discretionary authority to sign the contracts that authorise commencement of leadership development programmes. He is caricatured as male, middle-aged, university educated in a business discipline, highly outcome and results focussed, dismissive of appeals to any value other than economic rationalism, and, in general lacking in refined ethical sensibility. He will not be swayed, accordingly, by otherwise compelling arguments if they lack appreciation of this profile. I finish Chapter 4 on the note that an additional challenge must now be factored into our overall investigation, that of figuring out how to satisfy the *hard-nosed decision-maker* without compromising the importance of high-trust community building as a pivotal theme?

The account of trust presented in Chapter 4 makes explicit its inextricable conjunction with human emotion when the context is that of leadership and leadership ethics. This provides an important hint on how to overcome the problem of the sceptical *hard-nosed decision-maker*. The new discourse on "emotional intelligence" (EQ) is currently fashionable in the Australian corporate community. Much of the interest revolves around the work of Daniel Goleman, especially his presentation of research evidence linking EQ level to high-performance leadership practice. Validating the inclusion of EQ in the overall argument, however, turns out to be a necessary but not sufficient condition for presenting a compelling case to the *hard-nosed decision-maker.* I address the full scope of this challenge in Chapter 5

I begin Chapter 5 by reaffirming the conviction that serious obstacles need addressing by anyone hoping to convince the *hard-nosed decision-maker* to sponsor a development programme underpinned by a syllabus that appears, at first blush, to be soft, flaky and ephemeral. A good way to begin the process, I argue, is to recognise the importance of working within an

acceptable corporate 'idiom'. Then, having identified and discussed some of the key parameters associated with the prevailing Australian idiom, I suggest slotting the entire project into the framework of an appropriate planning model. I argue for an interpretive variant of the Peters *et al 7-S Framework*, demonstrating that it assists with idiomatic compliance in two important ways. First, it provides access to an appropriate vernacular. Second, it draws attention to a mix of variables with which corporate change planners are both familiar and comfortable.

In the remainder of the chapter, I set forth a position resulting from consideration of six of the seven variables covered by the model. Preeminent in this is positioning of the notion of ethical competence within a wider *leadership competency framework*.

This leaves outstanding the seventh variable, designated in the original model as '*Structure*'. Invoking poetic licence in respect of the authors' original interpretation, I argue for now using the term to draw attention to the need for a robust *syllabus structure*. Such a structure represents the theoretical framework on which the pedagogical viability of the programme rests. Given its importance, I devote the remaining two chapters to its detailed articulation.

I begin Chapter 6 by reminding the reader of a concern foreshadowed in the early chapters regarding the complex and eclectic nature of the ethical intricacies of managerial leadership. This concern must now be addressed as part of the process of arriving at a coherent syllabus structure. I argue, accordingly, for selecting an appropriate *developmental focal point* as a way of reducing if not totally resolving the complexity. I go on to argue that, on account of its conceptual location at a critical intersection point between the psychology of emotion and normative ethics, *human character* is an appropriate candidate for the role.

Given this, I argue that the ancient ethical doctrine of *eudaimonism* represents, with suitable qualification, an appropriate overall structural framework for the syllabus of a programme that seeks to improve the level of ethical competence of participants. Eudaimonism, however, is a doctrinal platform, from which specific themes relevant to a given programme syllabus must be fleshed out. The challenge of identifying and specifying these themes is taken up in Chapter 7.

Chapter 2

Managerial Leadership: *A Theoretical Review*

2.1 Introduction

2.11 Aim of the chapter

May aim in this chapter is to examine the literature on managerial leadership for the purpose of ascertaining to what extent a theoretical review might contribute to a better understanding of the phenomenon. It is within the field of organisation and management (O&M) studies that most of the relevant work has traditionally been performed. As such, this is the logical focus of my early attention. Before proceeding further, I put the reader on notice that I make no attempt to provide a detailed exegetical analysis of the voluminous material available. In particular, I make no attempt to argue for the respective merits of one theoretical approach over another, as such a task would require far more space than that available here, and in any event would add little value to the overall argument.

Instead, in §2.2 and §2.3 respectively, I content myself with providing an overview of what I refer to as the *reductionist* and *systemic* accounts into which the general O&M treatment of leadership can be categorised. In §2.4, I discuss the merits of these accounts, drawing two main conclusions. I show that, of the two approaches, the systemic models by and large offer a more penetrative set of insights from the perspective of my special area of interest. I also argue, however, that even when combined, they fail to provide a sufficiently rich account to prepare the way for a thorough investigation of the associated ethical intricacies of leadership. The reason for this, I suggest, is the O&M community's historical over-reliance on the social scientific enquiry method.

2.12 Two generic approaches

The origins of leadership study can be traced to the time of the pioneering work on what subsequently became known as the *Classical Theory of Administration*. Under its more infamous alternative description, *Scientific Management,* it is most famously associated with the writings of Frederick W. Taylor.[49] From a contemporary perspective, however, it can be argued that the really interesting work on leadership theory did not emerge until the middle to late 1950s. During that period a quasi-doctrinal debate gathered momentum between proponents of *Classical Theory* and those supporting the emergent *Human Relations School*. In contrast to the former, this new school emphasised the emotional, spontaneous, and non-rational elements of organisational life and work. It pointed to the significance of the social dimension of work organisations and, more significantly, to the importance of 'leadership' in fostering emotional communication, participation, and individual and group commitment.

During this period, there was, in addition, a notable shift to a more formally empirical method of enquiry, with social scientific disciplines like organisational sociology, social psychology, organisational psychology, and management studies now vying with each other to provide the most penetrative insights. In consequence, much of the work done on managerial leadership from the 1950s through to the 1990s has been conducted from a distinctly scientific or objectivist perspective.[50] Indeed, as has recently been

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[49] Frederick Winslow Taylor, *The Principles of Scientific Management,* (New York, NY: Harper & Row, 1915).

[50] It is interesting that philosophy has had very little to contribute until the relatively recent emergence of 'business ethics'. Even this, however, is arguably more closely aligned with schools of business than philosophy departments.

pointed out, the resultant corpus of material is as noteworthy for its lack of theoretical convergence as it is for its voluminous content and eclecticism.[51]

Notwithstanding this divergence, I believe it is possible to identify certain useful patterns in the O&M literature on leadership. For instance, I would argue that two main approaches to the study of the topic can be identified, what I refer to as the *reductionist* and the *systemic*. Reductionist theories are noteworthy on account of their attempt to explain leadership by recourse to a process of isolation and compartmentalisation. They seek to isolate what they consider to be specific factors constitutive of leadership, and then compartmentalise them into like categories. Thus, for instance, we see that the so-called *trait theories* seek to isolate and compartmentalise those characteristics considered hallmarks of managers who demonstrate an effective leadership style. More will be said about this in §2.2 upcoming.

The systemic accounts, for their part, take a different tack. To understand what I mean here by the term *systemic*, consider the contrast between Patient A, Julie, presenting to her physician with a broken wrist and Patient B, John, presenting with lower abdominal pain. Julie has a non-systemic condition, in that it can readily be isolated and then addressed without affecting other aspects of her general health and wellbeing. John, on the other hand, presents with what are, *prima facie*, contingently indicative symptoms. They may signal a particular disorder, but not necessarily so. In fact, diagnosing his problem may require a good deal of eliminative investigation. Moreover, if the condition turns out to be a prostate problem, the physician will be concerned about the extent to which it might affect other organs (the bladder for instance) and physiological functioning (urinary, sexual, reproductive, et cetera).

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[51] Joanne B. Ciulla, *Leadership Ethics: Mapping the Territory,* Business Ethics Quarterly, 5(1), 1995, pp. 5-28.

Thus, what I call the systemic accounts tend to examine leadership from a more eclectic set of perspectives, and tend to consider the implications of leadership along a range of parameters, including the ethical. For this reason, I pay more attention to the systemic models. But this is not to say that reductionist models are without merit. In fact, as we shall see, they do represent a useful place to start when conducting what Heifetz calls "leadership analysis".[52] The reason for this is that they generally work by providing lists of factors (traits or attributes possessed, behaviours displayed, definitions applying, et cetera) by which students of the topic can gain a relatively easy, if ultimately somewhat unsophisticated and inadequate, entrée into the topic.

2.2 *Reductionist* Approaches to Leadership Analysis

One can readily identify within the literature four approaches to understanding the topic that can be positioned quite uncontroversially under the reductionist umbrella. These are the (a) behavioural models, (b) contingency models, (c) trait models, and (d) what I refer to as the 'list-making' models. The brief descriptions that follow are intended purely to ensure the reader grasps the essential differences between the four types of model. I round off the segment by identifying what I consider to be a subtle form of reductionism clearly in evidence throughout the literature, to such an extent that it in turn pervades and reinforces the reductionism already inherent in each of the above three generic models. I refer to the passionate and relentless attempt by so many leadership scholars to reduce the concept to a single, all-encompassing definition.

2.21 Behavioural models

In the period following World War II, and with a retrospective eye on stand-out figures like McArthur, Churchill and Eisenhower, a wave of O&M

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[52] Ronald Heifetz, *Leadership Without Easy Answers,* (New Delhi, India: Harper, 1991).

research began to associate leadership practice with certain sorts of behaviours, and sought to differentiate effective from ineffective leaders on this basis. As with other investigative approaches, no clear pattern emerged to suggest a definitive normative platform. One particular research project did, however, dominate the period, and was to act as a catalyst for many subsequent studies during the 1970s and 1980s.[53] Based on the identification and analysis of over fifteen hundred behavioural elements, a research team from Ohio State University concluded that only two factors seemed to account for most of the observable variance between effective and ineffective leaders. The first was the tendency *to act with care and consideration towards the emotional needs of subordinates*. This included an observable readiness to afford them respect and trust. The second was something they called "*initiating structure*", a parameter that reflected the degree to which managers acted to structure and coordinate the work of subordinates in a manner that assisted and empowered them rather than the reverse. Interestingly, even though this sounds like it might be a relatively technical notion (in the sense of having to do with 'structure and coordination'), the qualification towards the end is telling. The association of leadership behaviour with the empowerment of subordinates tends to suggest that both factors identified as ultimately significant are grounded in affect as well as whatever else.[54]

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[53] Industry Task Force on Leadership and Management Skills, *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century* (Canberra: Commonwealth of Australia, 1995).

[54] It is clear, for instance, from Ciulla's account in her essay entitled *Bogus Empowerment*, that the business of empowering people can be an emotionally loaded experience. Consider the following situation: As a result of my dealings with you, my boss, do I feel that I can exercise some control or autonomy over my choices and actions? Or, do I feel that, irrespective of what words you use, I am in reality left with little or no room for autonomous decisions or actions. See Joanne B. Ciulla, *Leadership and the Problem of Bogus Empowerment*, in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership*, (Westport: Praeger Publishers, 1998).

In general, the study found a positive correlation between both the above indicators and the effectiveness of leadership practice. Later studies, however, were inconclusive in one respect. As Craig and Yetton point out:

> Although hundreds of studies have examined the correlation between initiating structure and consideration (on the one hand), and subordinate satisfaction and performance (on the other), findings in this line of research have been inconclusive and contradictory. The one exception is a generally positive relationship between consideration and subordinate satisfaction.[55]

Before moving on to examine the trait theory approach, it is appropriate to make a specific point about the various alternative approaches here being outlined. There is no clearly delineable chronological pattern associated with their emergence. As it happens, the Ohio State study took place in the middle of the twentieth century. However, even in its aftermath, theorists have continued to nominate specific behaviours as hallmarks or evidence of what they mean by leadership. For example Greenleaf, writing thirty years later, identifies *serving others* as the primary behaviour associated with the leadership practice. By and large, however, it can be stated that more substantive systemic accounts are all of relatively recent vintage.

2.22 Trait models

Heifetz begins his discussion of trait theory as follows: "Perhaps the first theory of leadership-and the one that continues to be entrenched in American culture-emerged from the nineteenth-century notion that history is the story of great men and their impact on society." [56] What are called trait theories of leadership focus on the sorts of characteristics or traits typically possessed and demonstrated by those considered role models. These theories place particular

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[55] Craig and Yetton, as quoted in the report of the Industry Task Force on Leadership and Management Skills, *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century* (Canberra: Commonwealth of Australia, 1995), p. 1190.
[56] Heifetz, op. cit., p.123.

emphasis on identifying those traits that differentiate the effective from ineffective practitioner.

Until the 1940s, leadership scholars seemed to believe that differences in personal characteristics accounted for differences in managerial style and effectiveness. As Craig & Yetton point out:

> Hundreds of studies in the 1930s and 1940s searched for evidence of traits such as intelligence, need for power, need for security, need for achievement, dependability, sense of responsibility, self-assurance and decisiveness. Two questions typically were asked: What traits distinguish leaders from others? and What is the extent of those differences?[57]

However, as the Karpin Report correctly points out, it was the number of these studies, rather than the penetrating insight or consistency of findings found therein, that was most impressive. Indeed, it made the interesting discovery that factors distinguishing leaders from non-leaders in one study, typically failed to replicate in subsequent research. After a quarter century of work within this paradigm (the early 1920s through to the late 1940s), Craig and Yetton suggest that the only consistent finding was that effective managers generally tended to display above average scores on the traits of *self-confidence, need for job/ career success, and personal initiative.*

It is interesting to note, however, that most of the traits considered relevant to effective leadership could be designated as *socially significant.*[58] In this sense, being self-confident would be seen as a desirable quality, being arrogant as the reverse. Despite a waning of interest in trait theories after World War II, the Karpin Repot points to a resurgence of interest during the 1980s. But while the resultant output again fails to offer any definitive

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[57] Craig and Yetton, as quoted in the report of the Industry Task Force on Leadership and Management Skills, *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century* (Canberra: Commonwealth of Australia, 1995), p. 1190.

[58] The relevance of this will become apparent later in the chapter.

connection between personality, or other individual characteristics, and leadership effectiveness, it does suggests that a number of these studies did succeed in highlighting an important point. This concerns the claim, subsequently important in this dissertation, that leadership traits could be broadly grouped under three generic headings: technical skills, conceptual skills, and interpersonal skills. This is a useful contribution to a field of enquiry which, as the foregoing diversity of accounts illustrates, is notable for its theoretical divergence. In fact, irrespective of whether one prefers the behavioural, contingency, or trait option, one eventually arrives at descriptive parameters that can indeed be seen to fall under one or other of these three categories.

Perhaps the most influential of all trait theories is one currently in vogue and receiving much attention in the leadership literature. According to Goleman, essential to effective organisational leadership are three key capacities: (a) sound technical skills; (b) above-average cognitive abilities, and (c) emotional intelligence.[59] Referring to a major research project carried out in the late 1990s under the aegis of the *Consortium for Research into Emotional Intelligence*, he clams that the findings show that of the three, emotional intelligence is by far the most influential in determining quality of leadership performance. In fact, the study pinpoints that differences in levels of emotional intelligence among managers surveyed account for more than ninety percent of the variation in levels of leadership performance. Assuming the integrity of the research methodology and other research parameters, this is a very significant finding.

So, what exactly is meant by *emotional intelligence*. Goleman answers this by pointing to what he considers to be the five principal characteristics of

the emotionally intelligent person. First is the ability to know one's emotions, to recognise a feeling as it happens. Second, the ability to manage one's emotions, including the control of impulse. Third, the ability to motivate oneself, to marshal appropriate emotions in the service of a goal. Fourth, the ability to recognise and respond to emotions in others, to have and to show empathy. And last, the ability to handle relationship effectively, in large part the ability to manage the emotional interaction with others.[60]

Before moving on, it is worth noting one interesting reaction to the 'great man' theory of leadership. This is captured in the so-called *situationalist* objection. This holds that far from the man begetting the times, it is more the case of the times begetting the man. *Situationalists* point out, for instance, that America's great early leaders - Jefferson, Washington, Adams, Madison, et cetera - were products of their time. Not only that, they displayed an assortment of complementary abilities rather than each possessing some specific list of characteristics that hallmarked them as great leaders.

2.23 Contingency models

In O&M theory, the concept of contingency planning refers to the practice of making provision for the possibility of having to adapt to various possible scenarios. Thus, my plan is to travel from Sydney to Melbourne next week by air. But in the event that the threatened airline pilot strike takes place, I have provisionally reserved a seat on Wednesday's morning's train. In this respect, I have a contingency plan. Contingency theories of leadership operate along analogous lines. They fall generically into a number of categories. For instance, following on from the situationalist response in trait

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[59] See Daniel Goleman, *What Makes a Leader?* Harvard Business Review, November-December, 1998, pp. 93-102.

[60] As a great deal of significance attaches to identification of the pivotal role played by emotional intelligence in determining quality of leadership practice, and given what will be seen to be the importance of emotion to moral enquiry, I return to this topic in Chapter 5.

models, an approach emerged during the 1950 that sought to characterise effective leadership as the ability to adapt to prevailing circumstances. An effective leader is therefore able to call on different characteristics and to adopt different modes of practice in response to the presenting situation. For instance, she might read some situations as requiring her 'iron fist approach' and others as needing the 'velvet glove'.

Another contingency model considers it a leadership imperative to divide subordinates into various categories, depending on particular combinations of strengths and weaknesses. Effective leadership, accordingly, is about using them interchangeably in situations demanding their respective styles and capabilities.[61] A third variant of the contingency approach advocates choosing the leader to fit the type of constituency needing to be led. For instance, if the prevailing culture of the subordinate group is hard-nosed, unemotional, and highly focussed, then it may be appropriate to put someone in charge with an assertive personality and correspondingly no-nonsense style of leadership.[62]

Before leaving the notion of the contingency model, it is worth reflecting briefly on one final approach to leadership that has received prominent treatment in the literature. Perhaps most famously associated with respected theoretician John Kotter, this approach seeks to explain the nature and scope of leadership by making a differentiation between manager and leader.

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[61] This is the approach advocated by Fiedler in F.E. Fiedler, *A Theory of Leadership Effectiveness*, (New York: McGraw-Hill, 1967). This citation is taken from the account given in the report of the Industry Task Force on Leadership and Management Skills, *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century* (Canberra: Commonwealth of Australia, 1995). p 1197.

[62] This is the approach advocated by Dansereau et al in Dansereau, F. Jr., Graen, G., & Haga, W.J., *A Vertical Dyad Linkage Approach to Leadership Within Formal Organizations: A Longitudinal Investigation of the Role Making Process*, Organizational Behavior and Human Performance, 13, pp. 46-78.

As mentioned earlier, classical organisation and management (O&M) theory posits the view that leadership represents but one of four major constituent functions of management - the others being planning, organising, and coordinating (Weisbord 1987). But this alternative approach seeks to specify the idea of leadership by making an explicit differentiation between an organisational supervisor, at whatever hierarchical level, operating either as leader *or* manager. According to this view, the more talented the individual, the greater her capacity to operate in either mode at will. In contrast, less talented individuals display a tendency to become stuck in one mode or the other.

A simple characterisation of the suggested difference between leader and manager is captured in the following:

- The manager builds new organisational forms and structures.

  The leader creates inspiring new visions.

- The manager controls things (money, logistics, strategies, et cetera).

  The leader motivates people.

- The manager gets things done through positional power and appeal to authority, and engenders a culture of compliance.

  The leader gets things done through the non-coercive engagement of the minds and hearts of followers, creating, along the way, a culture of commitment.

Table 2.1, adapted from Kotter by Davies[63], provides a more thorough portrayal of the distinction between the two concepts. This is useful in the way it breaks down the role of manager/leader into four generic functions:

- Creating an agenda
- Marshalling people to work in support of achieving the agenda
- Executing the work demanded by the agenda
- Examining eventual outcomes as a result of implementing the agenda

What this perspective makes clear is that the leadership view of supervisory work is clearly more people-centred, while the managerial one is more structural and instrumental. In all four of the generic task areas, the leader is sensitive to the vagaries of the human condition, and is obviously intent on achieving the agenda by dint of tapping into insights created by that sensitivity. The manager, in contrast, is more focussed on manipulating the structural, technological, and other resources available to achieve the same ends. For the manager, the person is simply a 'human resource'.

Kotter's work, as reflected in this table, enables us to recognise that organisational supervisors, irrespective of their level in the structural hierarchy, must successfully perform two generic categories of tasks. These can be differentiated by thinking of one as relating to *things* and the other to *people*. As the analysis in Table 1 shows, this is no mere facile differentiation. Rather, it serves to illustrate that whereas the managerial dimension is really about the efficient leverage and optimal utilisation of resources, the leadership component is about the human side of enterprise, that is, the effective (as in goal-directed) and affective (as in emotionally sensitive) engagement of people.

Kotter shows us that while management has something to do with functions that affect organisational efficacy (getting the job done) and efficiency (getting it done with optimal resource utilisation), leadership addresses those dimensions that affect the human spirit. He asserts further that it is leadership that establishes an inspiring vision for the future and focuses the attention of followers thereon. Likewise, it is leadership that encourages and promotes the sort of communication that must operate in a human community for it to be politically workable and socially stable. And, it is leadership that facilitates

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[63] M. Davies, *Leadership and Development in the Public Service,* (Brisbane: Queensland Office of the Public Service, 1994).

collaborative and creative problem solving in the face of adversity and challenge.

Activity	Management	Leadership
Creating an agenda	Planning and budgeting – establishing detailed steps and timetables for achieving needed results, and then allocating the resources to achieve these results.	Establishing direction - developing a vision of the future, often the distant future, along with strategies for producing the changes needed to achieve that vision.
Developing a human network for achieving the agenda	Organising and staffing - establishing some structure for accomplishing plan requirements, staffing that structure with individuals, delegating responsibility and authority for carrying the plan, providing policies and procedures to help guide people, and creating methods or systems to monitor implementation.	Aligning people - communicating the direction by words and deeds to all those whose cooperation may be needed, so as to influence the creation of teams and coalitions that understand the vision and strategies and accept their validity.
Execution	Controlling and problem solving – monitoring results against the plan in some detail, identify deviations, and then planning and organising to solve these problems.	Motivating and inspiring - energizing people to overcome major political, bureaucratic, and resource barriers to change by satisfying very basic, but often unfulfilled, human needs.
Outcomes	Produces a degree of predictability and order, and has the potential of consistently producing key results expected by various stakeholders (e.g. for customers always being on time; for owners, being on budget).	Produces new directions, often to a dramatic degree, and has the potential of producing extremely useful new directions (e.g. new products that customers want, new approaches to labor relations that help make the firm more competitive).

Table 2.1 **Differentiating Management and Leadership as per Kotter**[1]

Notwithstanding the useful insights evoked by Kotter's approach, I remain concerned that the alleged strength of the model – its reduction of a complex notion into an overtly simple structural dichotomy – is in fact its weakness. My feeling is that the conceptual reduction of organisational supervision to a dichotomous polarity sends the wrong message to students. As we saw above, it tends to show the *leader* as the good guy, thus condemning the *manager* to the role of villain. Moreover, in steering the analyst into a purely comparative and oppositional thought process, it stimulates the

sort of intellectual one-up-manship that so often bedevils academic enquiry in the social sciences.

2.24 *List-making* models

Also prominent under the reductionist heading are what I call the list-making models. As the term implies, authors working under this category simply seek to explain leadership by recourse to the simple enumeration of constitutive factors. Thus, for instance, Rosen identifies what he calls the "eight principles of leading", namely:

- Vision
- Trust
- Participation
- Learning
- Diversity
- Creativity
- Integrity
- Community[64]

As it happens, and as we shall see between now and the end of Chapter 4, some of these factors are indeed critical to an appreciation of the nature and scope of leadership. But the list also has a weakness that takes away from its potential explanatory power. It consists of factors that individually belong to different conceptual categories. Thus, for instance, it may be said that creativity and integrity constitute personal attributes of the individual leader. But community, diversity, learning, and participation are clearly not personal attributes. This type of listing thus suffers from getting the apples and oranges mixed up.[65]

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[64] Robert H. Rosen, *Leading People,* (New York: Viking Press, 1998).

[65] Other authors to fall into the same trap in dealing with leadership include Covey, and Oakley and Krug. See Stephen R. Covey, *Principle-centered Leadership,* (New York, NY: Simon and Schuster, 1991); Ed Oakley and Doug Krug, *Enlightened Leadership: Getting to the Heart of Change,* (New York, NY: Simon & Schuster, 1991).

2.25 Seeking the *ultimate definition*

In preparing his Presidential Address for the fiftieth anniversary celebrations of the American Society for Aesthetics in 1992, Peter Kivy decided that it was appropriate, on such a seminal occasion for philosophers of art, that something be said by way of pointing to a new direction for the discipline. On reviewing the available options available, he decided that a movement away from the relentless pursuit of the ultimate definition of art was a worthy choice. He writes: "For I thought we were at a point where an alternative to the single-minded pursuit of art's "definition" was open, and beckoning."[66]

I draw attention to Kivy's observation because much the same criticism can be levelled at the community of theorists working in the field of leadership studies. It, too, retains a preoccupation with the challenge of encapsulating the essence of its subject matter into a single, incisive, all-encompassing definition. While this does not constitute a 'model', in the manner of the three approaches discussed above, it stands out as a pervasive reductionist tendency. To illustrate the point *in absurdum*, note how, in a recent study, Rost identifies 221 different definitions of leadership that have appeared in the literature over the past seventy-five years. (This seems like such an extraordinary achievement, testimony both to the reductionist tendency of the scholarly community and to Rost's resilience as a researcher.)[67]

Then, having analysed the chronological evolution of these definitions, he succeeds in narrowing the list to seven, one for each of the decades from the 1920s through to the 1980s. His selections are based on the judgement that the one chosen best captures the prevailing sentiments and understanding for the period in question. These are as shown in Table 2.2 below.

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[66] Peter Kivy, 1997, *Philosophy of Arts: An Essay*, (Cambridge, UK: Cambridge University Press, 1997), p. ix

[67] Joseph Rost, *Leadership for the Twenty-First Century*, (New York: Praeger, 1991), P 23

1920s	[Leadership is] the ability to impress the will of the leader on those led and induce obedience, respect, loyalty and cooperation.
1930s	Leadership is a process in which the activities of many are organised to move in a specific direction by one.
1940s	Leadership is the result of an ability to persuade or direct men, apart from the prestige or power that comes from office or external circumstances.
1950s	[Leadership is what leaders do in groups.] The leader's authority is spontaneously accorded him by his fellow group members.
1960s	[Leadership is] acts by a person which influence other persons in a shared direction.
1970s	Leadership is defined in terms of discretionary influence. Discretionary influence refers to those leader behaviors under control of the leader which may vary from individual to individual.
1980s	Regardless of the complexities involved in the study of leadership, its meaning is relatively simple. Leadership means to inspire others to undertake some form of purposeful action as determined by the leader.
	To the above he then adds his own definition for the 1990s, claiming it to reflect the emergent realities and imperatives of a now fast-changing organisational work environment:
1990s	Leadership is an influence relationship among leaders and collaborators who intend real changes that reflect the purposes mutually held by both leaders and collaborators.

Table 2.2 Definitions of leadership identified by Rost

2.26 Observations on the reductionist models

For someone wishing to discredit what I have collectively termed the reductionist approaches, one obvious criticism would be to suggest that they succeed in doing botany rather than biology. What I mean by this is that they seek to classify and categorise rather than analyse. The classification of body parts into, for instance, glands, limbs, bones, cells, and so forth does little to explain why and how the entire functioning organism actually work.

Building on this metaphor, it could be further objected that they tend, by and large, to present a fairly sterile and formulaic account of a topic that is, in truth, rich and expansive, not only in conceptual terms, but also in terms of the

reality of its real-world practice. For instance, wading through the entire list of over fifteen hundred behavioural signifiers identified by the Ohio State team mentioned in §2.21 above would certainly prove to be a somewhat sterile and formulaic exercise for most of us, as would the task of working through Rost's list of 221 definitions. But the Ohio team's eventual conclusion that the two most significant behaviours turn out to reflect the affect-laden nature of leadership is anything but a sterile indicator. Similarly, it is an interesting and instructive exercise to juxtapose each of Rost's final decade-by-decade selections against each other for purposes of comparative review.

My own view is that much of the work in leadership analysis suffers from over-reliance on the social scientific method of enquiry. In their attempts to present entirely objective and value-free interpretations based on entirely objective and value-free assumptions and methods, many of the authors have succeeded in producing work that can fairly be criticised as sterile and formulaic. But this s not to say that it is without merit. Indeed, I can safely say I have examined no work that is entirely without merit. In general terms, the reductionist models I have studied have enabled me to form some preliminary views about the conceptual nature of leadership. For present purposes, and with brevity in mind, let me restrict myself to just one such observation. What I perceive as the limitations of the classification method prompts me to think of leadership more in terms of an evolving relational process between the relevant parties than any set of attributes, whether heterogeneous or homogenous in composition. However, rather than expand on this point at this juncture, let us firstly turn to an examination of the second stream of work, that which I refer to as the systemic models.

2.3 *Systemic* Approaches to Leadership Analysis

2.31 What I mean by 'systemic'

O&M theorist Peter Senge introduces the notion of *systems thinking* in the following manner:

> A cloud masses, the sky darkens, leaves twist upward, and we know that it will rain. We also know that after the storm, the runoff will feed into groundwater miles away, and the sky will grow clear by tomorrow. All these events are distant in time and space, and yet they are all connected within the same pattern. Each has an influence on the rest, an influence that is usually hidden from view. You can only understand the system of a rainstorm by contemplating the whole, not any individual part of the pattern.[68]

He goes on to employ the metaphor of 'complex system' in reference to understanding work organisations. He says that, like the rainstorm, they tend to be bound by "... invisible fabrics of interrelated actions, which often take years to fully play out their effects on each other."[69] Thus, he warns, the interventionist concerned with strategic organisational change must take care to avoid falling into the time-honoured trap of concentrating on snapshots of isolated parts of the system, and in consequence running the risk of 'missing the wood for the trees'. (This will become a pertinent consideration for me in Chapter 4.)

But there is more immediate relevance, consideration of which is prompted by the reductionist accounts of leadership just examined. As was seen, a criticism that could justifiably be levelled at them centred on their tendency to isolate and classify. Arguments about which traits as opposed to behaviours (or vice versa) ultimately constitute leadership fall into precisely this trap. In consequence, as Rost, Ciulla and others have pointed out, we end up

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[68] Peter M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization*, (London, UK: Century Business, 1990), pp. 6-7.
[69] Ibid., p. 7.

with lots of ardently conducted research findings to pore over, but not a great deal of expansive understanding of what leadership really means. While a majority of theorists working in the field employed a reductionist approach, fortunately not all of them did so. Examination of the literature does reveal a number of them that tackled leadership somewhat differently.

While there are other models that would qualify, for the purpose of illustrating what I mean by systemic approaches to leadership analysis, I will provide a brief introductory account of three, all of which are currently influential in the literature. These are (a) Burns' theory of "transforming leadership", (b) Greenleaf's notion of "servant-leadership", and (c) Blank's "natural laws" theory. We will see that each is systemic in accordance with the above introductory comments, but notably in respect of the manner in which it succeeds in pinpointing the oftentimes "invisible fabrics" missed by the reductionists.

2.32 Burns' concept of "transforming leadership"

The best way to gain a grasp of the concept of *transforming leadership,* as postulated by James McGregor Burns, is to approach it from the perspective of his particular conception of what leadership *as such* is all about. He sees it is as fundamentally grounded not in a manager's persuasiveness in inducing subordinates to do what they otherwise would not do, nor in an ability to get them to comply with something concerning which their own feelings are neutral. Rather, he sees leadership as a term which describes the phenomenon by which leaders induce followers to act willingly in pursuit of certain goals which clearly reflect the needs, wants, aspirations, and expectations of both leader and follower alike. As he puts it: "... the genius of leadership lies in the manner in which leaders see and act on their own and their followers' values

and motivations."[70] He sees the interaction between leader and follower as essentially one obtaining between individual human agents who are pursuing some common or joint purpose, but who are doing so from the perspective of differential motivational structures and power relations.

He goes on to argue that this interaction takes one or other of two basic forms. What he calls *transactional leadership* occurs when the manager takes the initiative in contacting others for the purpose of making an exchange. The object of the exchange will be some valued outcome that can variously be economic, political, or psychological in nature. Respective examples would be, for instance, financial gain, increase in personal influence, or a reduction of work-related stress. In a transactional environment, the parties do indeed see each other as persons, and as such are broadly aware of, and sensitive to, the emotional and moral texture of their common environment. Indeed, all concerned tend to be conscious of the differential power relations and attitudinal structures that are mutually at play. In general parlance, it could be said that they show evidence of 'being on the same general wavelength'. But all the time, their mutual focal interest resides in some instrumental end to which they are jointly committed, the attainment of which all involved see to be in their respective best interests. Indeed, the strength of the bond between them tends to be determined by the degree to which they are committed to the common or joint purpose to which they have 'transacted' to be committed.[71] The relationship can thus be characterised as primarily an instrumental one. As Burns puts it:

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[70] James McGregor Burns, *Leadership,* (New York: Harper Torchbooks, 1979), pp. 100-101.

[71] As we shall see later in the chapter, this transactional environment is not dissimilar to what might be expected to obtain in a moral economy driven by contractarian values.

> But beyond this the relationship does not go. The bargainers have no enduring purpose that holds them together; hence they may go their separate ways. A leadership act took place, but it was not one that binds leader and follower together in a mutual and continuing pursuit of a higher purpose. [72]

It is important to recognise that this can be a highly effective form of relationship, from which all concerned derive genuine benefit. Burns believes, however, that it falls short of being the normative ideal for true leadership. That accolade he reserves for what he calls *transforming leadership*. The fundamental premise lying behind this alternative conceptualisation is recognition of the importance of something that 'binds together' the parties in such a way that leader and follower succeed in elevating each other's consciousness to higher levels of psychological and ethical maturity. In his own words:

> Such leadership occurs when one or more persons *engage* with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. Their purposes, which might have started out as separate but related, as in the case of transactional leadership, become fused.[73]

Two important insights can be gleaned from this. First, it is clear that, for him, leadership does not imply a one-way flow of either power or influence. Rather, they flow both ways and are constantly being directed towards realisation of some loftier goal or purpose to which the parties are becoming increasingly committed. Second, the on-going enactment of this process of mutual human engagement renders the outcomes increasingly edifying and rewarding for the parties. Something happens in the relationship that motivates the players to become more ethically sensitive and committed.[74]

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[72] Ibid., p.100

[73] Ibid. p. 101

[74] Burns makes no mention of having any awareness or understanding of Gadamer's notion of *Bildung*. Nevertheless, it clearly applies to the type of mutually uplifting relationship here being conceived. See Hans-Georg Gadamer, *Truth and Method*, translated by Garrett Barden and John Cummings, (New York, NY: Seabury Press, 1975).

It will be clear from this brief introduction that Burns' ideas on leadership are of a deeper and more complex nature than those of most earlier management theorists. A major differentiating feature of his work resides in the fact that he was one of the first authoritative figures to make explicit mention of the moral dimension in leadership. However, he never developed it beyond the suggestive or indicative expression highlighted here. In fairness, however, it should be said that Burns was an historian by training and not a philosopher. He opened the way, nevertheless, and his work certainly invited further examination of the ethical intricacies of leadership. It is arguably one of the ironies of leadership study that, in the forty years since Burns' passing, so few of the myriad writers on the topic have accepted that invitation. For the moment, however, let us defer further discussion pending a brief review of the second systemic model.

2.33 Greenleaf's concept of "servant-leadership"

The thinking that lies behind this conception of leadership is in large part derived from Robert Greenleaf's long career as a management development specialist at AT&T. His thinking on the topic was therefore shaped more through phenomenological and discursive experience than through purely abstract, detached speculation. Notwithstanding this, the catalyst for the eventual formal articulation of his *servant-leadership* theory was a reading of Herman Hesse's short novel, *The Journey to the East*.[75] A good way, therefore, of getting a grasp of the notion is by reflecting briefly on Hesse's story.

The Journey to the East is the story of a mythical journey undertaken by a group of people on a spiritual quest. The central figure in the fable is Leo, whose role is that of servant to the travellers. As the story unfolds, however, and as the journey progresses, it becomes apparent that his value to the group

extends well beyond the routine servile tasks he performs for his patrons. Of greater significance, readers realise, is the role he performs in sustaining the group with his humility, his caring and compassionate nature, and his personable disposition. Thus, facilitated by Leo's contribution, the journey progresses well until, one day, he mysteriously disappears. The group quickly falls into disarray and becomes dysfunctional. As it becomes apparent that it simply cannot manage without Leo, the journey is abandoned. After many years of searching, the narrator of the story eventually locates the religious order that had sponsored the original journey. On being taken into the community he discovers that Leo, whom he had known as a simple servant, is in fact the titular head and spiritual mentor of the order – someone considered a great and noble *leader*.

Greenleaf concludes that a central message of the story is that leadership is something that is *bestowed* on those who are seen to be motivated, in the first instance, by a desire to serve others. As such, they are seen to have neither ulterior motives nor private agendas. They display no tendency to want to control, dominate, or in any way take advantage of those others who participate in the same community. True leadership, he concludes, is grounded in a simple and unadulterated desire to serve and to help others. He goes on to call this approach *servant-leadership*, and to characterise it as a style that emphasises increased service to others, a holistic approach to work, a sense of community, and shared decision-making power. He suggests that the orientation towards being a servant-leader "... begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead."[76]

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[75] Hermann Hesse, *The Journey to the East,* translated by Hilda Rosner, (New York, NY: Farrar, Straus and Giroux, 1956).

[76] Robert K. Greenleaf, *The Servant as Leader,* (Indianapolis: The Robert K. Greenleaf Center, 1991), p. x.

In his later writings he claims that this philosophy of leadership differs markedly from those others he had encountered both in the literature and in practice. He pinpoints the difference as residing in the amount of care taken by the leader to ensure that other people's legitimate and priority needs are being addressed, something that requires discernment as well as a caring disposition. He says: "The best test is: Do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants?"[77] Apart from the emancipatory implications of this, the last component clearly suggests that effective leadership is about transformation of consciousness. As Greenleaf puts it:

> It is important to stress that servant-leadership is *not* a "quick-fix" approach. Nor is it something that can be quickly instilled within an institution. At its core, servant-leadership is a long-term transformational approach to life and work, in essence, a way of being that has the potential to create positive change throughout our society. (His italics.)[78]

In this we can see a similarity between the Greenleaf and Burns conceptions.

2.34 Blank's concept of the "natural laws"

A hint as to the systemic nature of Robert Blank's *'natural laws'* approach to understanding leadership is provided in the following extract from his Preface:

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[77] Ibid., p. xi.

[78] Robert K. Greenleaf, *Reflections from Experience,* in Larry C. Spears, (ed.), *Reflections on Leadership: How Robert K. Greenleaf's Theory of Servant-Leadership Influenced Today's Top Management Thinkers,* (New York: John Wiley & Sons, Inc., 1995), p. 23.

> The Nine Natural Laws of Leadership answers the questions: What does it mean to be a leader? When and how does leadership occur? How do leaders and managers differ? What is the source of a leader's power? And, perhaps most important: How can leaders provide more enlightened, life-supporting direction for their organizations?"[79]

What is immediately evident is that he sees leadership very differently to the reductionist theorists. His view of leadership is that of a 'complex matrix', an understanding of which involves simultaneous consideration of several variables. He elaborates on this by pointing to the paradigm shift he believes has occurred in our knowledge of nature's deeper realities, a reference to the seminal breakthroughs of quantum physics during the early twentieth century. A key component of this so-called "new science"[80] revolves around the notion of their being a certain fundamental order in the apparently chaotic structure of the natural world, and in consequence of which we have had to re-articulate many of the basic laws of natural science. Blank views this as a useful metaphor for forging a better understanding of organisational leadership. What he means specifically by this is captured in the following:

> By natural law, I mean the intelligence or order that explains the patterns of behavior and interaction of leadership. Today, people commonly view leadership by focusing only on the leader, and they commonly define leaders by their personal traits, behaviors, habits. This approach fails to address the deeper reality: that to be a leader means to have willing followers. The focus on the leader alone obscures the interactional quality of leadership, and the obsession with individual attributes fails to recognize that such characteristics are important only in relation to followers.[81]

To understand leadership, accordingly, it is necessary to take into account the fundamental dynamics of the relationship obtaining between leader and follower. Within this relationship, at some point in time one person decides to give something freely to another; one person, in fact, decides to give her

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[79] Warren Blank., *The Nine Natural Laws of Leadership*, (New York: American Management Association, 1995).p. vii.

[80] Margaret J. Wheatley, *Leadership and the New Science: Learning About Organization from an Orderly Universe*, (San Francisco: Berrett-Koehler Publishers Inc., 1992).

willing allegiance in response to the lead offered. The simple word for this form of allegiance is *followership*. The moment at which this *followership* is freely affirmed and granted, is the point at which, according to Blank, leadership comes into existence.

This conception, while not necessarily at odds with the accounts given in the reductive models, certainly brings a new twist to things. For instance, it highlights that a person cannot be formally *appointed* to a leadership role. Thus, when business corporations say, as they regularly do, that they are pleased to announce the appointment of John Doe as 'leader' of the marketing team, they are in fact misrepresenting the truth, albeit unwittingly. The positional power and authority vested in the new role for sure gives John a certain elevated hierarchical status within the group. But whether or not he emerges into leadership is yet to be determined.

Another twist introduced by Blank in explaining leadership is his special use of metaphor, a device not typically associated with the traditional O&M scholarship community. In suggesting that leadership can be likened to a *dance*, he says:

> The leadership field is an undivided wholeness that resembles a dance. Watch Fred Astaire and Ginger Rogers dance in one of their exquisite routines. The symmetry of the dance does not unfold from Fred's graceful lead alone, from Ginger's flawless following, or from the dance's spellbinding choreography. The wonder of the dance emanates from the totality of Fred-Ginger-music-movement-floor. The dance is a *field* – a pattern of relationship that connects all the diverse parts simultaneously.[82]

Suffice to say, then, by way of summary of Blank's position, that for him leadership is a concept that can be properly understood only in terms of what might be called a holistic relational field. As such, it offers an excellent

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[81] Warren Blank, op. cit., p. viii.
[82] Ibid, p. 13.

example of the sort of richer explanatory power that I believe the systemic perspective brings to bear.

2.4 Concluding Comments

The reader will recall that, in Chapter 1, I identified the principal factor motivating my overall argument as an intuitive concern that arose from inadvertently coming across the newly emergent literature on leadership ethics. More specifically, I articulated it as concern about the fact that lack of awareness and understanding of its ethical intricacies, on the part of theorist and practitioner alike, is contributing to the poor standards of leadership practice currently taking place in Australian work organisations. I mentioned, moreover, that until leadership development programmes begin to address this lacuna, we cannot realistically expect to see any substantive improvement. With this background in mind, I went on to describe the principal aim of my project as that of formulating credible prescriptive guidelines in respect of both the content and implementation one such programme. Towards that end I nominated, as a logical starting point, a review of the traditional literature for the purpose of establishing a sound conceptual understanding of the nature and scope of managerial leadership. What progress, then, can be reported in respect of the investigations conducted thus far?

On first encountering the O&M literature on leadership, one is immediately struck by two things. The first is its vastness, and the second the apparent lack of any obvious conceptual convergence among its myriad contributors. Notwithstanding these challenges, I eventually made progress by identifying two generic streams of stylistic approach, what I called respectively the *reductionist* and *systemic* accounts.

In a manner reminiscent of the expanded perspective suggested by the well-known metaphor of 'taking the helicopter view', the systemic models offer the advantage of allowing leadership to be seen in a more holistic way. By conceptually expanding the construct, rather than the reverse, they succeed in revealing aspects of its meaning typically hidden from reductionist enquiry. This is not to say that the latter adds no value. To know that effective leaders display this set of personal attributes, or that set of behaviours, helps one come to terms with what the concept is all about. But having one's attention drawn to such variables, especially when presented as little more than generically similar but isolated constructs, does not induce a grasp of the *bigger picture*, at least not to anything like the same extent as the systemic approaches.

Where the reductionist models seek to explain by way of lists and categories, the systemic counterpart seeks to explain by recourse to other heuristic devices. Two in particular stand out. The first involves its appeal to holism. Leadership should be seen as 'frog rather than bicycle'.[83] To understand it correctly, according to proponents of the systemic approach, one must view leadership as a relational matrix, within which can be found many intersecting vectors. The second is the ready appeal to metaphor, of which the concept of a relational matrix is a case in point.

Of the material examined thus far, Blank's so-called ''natural laws' theory offers perhaps the most compelling example of combined appeal to both holism and metaphor. In likening leadership to a dance, he characterises it as a form of human relationship wherein one or more persons freely decide to give

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[83] Mant describes a frog as something which, on being "disassembled", cannot be put back together again. The sum seems to be something more than the sum of the parts. A bicycle, in contrast, can be re-assembled, and is effectively no more than the sum of its parts. While he uses this clever if somewhat simplistic metaphor in respect of different approaches to understanding the nature of a modern business organisation, the same device is instructive in illustrating my point here. Leadership, too, is better understood as a frog than a bicycle. See Alastair Mant, *Intelligent Leadership*, (St Leonards, NSW: Allen and Unwin, 1997).

their personal allegiance to another. This happens because a particular type of 'psychological economy' has emerged between them, one that is grounded in four key forces: empathy, trust, confidence and respect. Moreover, as all three models examined emphasise, the robustness of this economy is independent of formal role structures and positional power. The only form of power that carries weight in the relationship is that relating to the degree to which all parties are seen to grow and evolve as individual human agents. According to Burns, this is a power that fuels a process of mutual elevation to higher levels of both psychological and ethical maturity. For his part, Greenleaf sees it as carrying an emancipatory function. When high levels of empathy, trust, confidence and respect exist (as with Leo and the group he serves in *Journey to the East*), individuals party to the relationship are emancipated from self-limiting attitudes and mindsets.

Leadership, thus construed, provides an environment within which all involved in the 'leadership community' serve to empower each other. What is also apparent in this picture is the fact that true leaders see their followers not as amorphous groups of undifferentiated individuals. As Burns makes clear, one of the key reasons certain persons are afforded leader status by their colleagues is because of their capacity to treat others as unique agents, a capacity that is reflected in the leader's ability to tap into the distinct motivational structures of those individuals.

In summary, then, I would argue that the systemic models, in a way not matched by their reductionist counterparts, have succeeded in providing two key insights into the nature of organisational leadership. The first views leadership as a *relational economy* as opposed to some set of defining traits or behaviours. One of the ancillary benefits of adopting this particular perspective is that of extinguishing the debate regarding precisely which traits or behaviours are constitutive, a problematic consideration right through the

history of leadership analysis. The second identifies the pivotal importance of empathy, trust, confidence and respect in shaping the character of that economy. A key ancillary benefit of this insight is the positioning of such factors as positional power and formal authority at the margin rather than the centre of the analysis. I will return to this discussion in Chapter 4.

In the meantime, I turn to a second and complementary form of enquiry I employed in order to penetrate more deeply the conceptual secrets of the managerial leadership enterprise.

Chapter 3

Leadership: *A Humanities Perspective*

3.1 Introduction

My aim here is to expand the analysis of leadership begun in Chapter 2, offering an account from a position I refer to as a *humanities perspective*. Before describing what I mean by this, it is appropriate to make three introductory comments of a general nature. The first is that I am not taking a humanities standpoint because nothing can be gained from the other traditional approaches. Instead, my aim is to see if the insights already gained can be complemented or augmented by looking at the subject from a different angle. The second is that my feeling is that this additional perspective may well serve to allow more penetrative exploration of the systemic dimension of leadership analysis introduced earlier. My third and final introductory point is to acknowledge the fact that some readers may feel uncomfortable with the fact that I made no attempt thus far to offer my own definition of leadership.

While I made my objections to such a reductionist tactic clear in the previous chapter, I will however now present a stipulative explication in the concise format of a 'definition'. In doing this, I adopt a noteworthy feature of Rost's definition, namely, his emphasis on the "non-coercive"[84] nature of the influence exerted by a leader. In taking a preliminary position, therefore, at this early stage of the overall argument, I offer the following conceptualisation: *In a community with diverse stakeholder interests and relations at play, leadership is the relational process through which one individual emerges to play a role in non-coercively influencing the attitudes and actions of others, as they jointly pursue a common goal or goals.* In anticipation of possible objections that could well be made, however, let me add that I am far from

convinced that this view is adequate for purposes of drawing out the full ethical ramifications. This is but another reason why I wish to tackle the topic from an alternative perspective.

3.2 *A Humanities Perspective*

Donaldson[85] describes how the modern notion of '*the humanities*' has its roots in the Renaissance period, when the term was first used to refer to an emerging revolution in the means and modes of education. During this period there was renewed interest in the development of the human intellect and human potential, reflected in the movement to so-called humanist philosophy. The rediscovery of ancient Latin and Greek classical texts served to fuel the new movement and manifested, in Donaldson's words, as a "... break with pedagogical dogma at the same time that it legitimated human studies as equal in importance to the study of God and the natural world".[86] At the time, the effect was one of liberating educators from the constraints of the narrower, more limiting worldviews that had previously held them in thrall. It is in the spirit of this expansionary heuristic transition that I now wish to advance the present enquiry.

But I cannot claim it as an exclusively innovative move on my part. Donaldson tells us that in recent years a group of O&M educators, albeit small in number, has likewise come to realise that the propensity for penetrative insight into the human dimension of business was being constrained by the overly-restrictive appeal to purely social scientific modes of enquiry. He notes, in particular, how such complex topics as managerial responsibility, employee rights, questions of justice and equity, and what he calls the "poignant

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[84] Refer to Table 2.2 in the previous chapter.

[85] Thomas J. Donaldson, 'Introduction', in Donaldson, Thomas J., and Freeman, R. Edward (eds.), *Business as a Humanity*, (New York: Oxford University Press, 1994).

[86] Ibid., pp. 3-8.

problems of leadership", are now being better understood as a consequence of theorists turning to political philosophers, ethicists, and historians.

In adopting this heuristic trend, I have pursued a humanities approach along two distinct but complementary vectors. The first involves using what I refer to as a *Wittgensteinian-style* primary investigation of leadership practice in an actual business organisation, played out within a broadly ethnographic framework.[87] The second involves the use of what I call *literary licence*, that is, appealing to devices such as myth, archetype, or metaphor to help unravel the poignant problems of leadership and the ethical challenges associated with them.

3.3 The Agritest Study

3.31 Background to the study

I commenced my studies in applied ethics from the premise that theory on its own generally represents a suspect platform from which to forge meaningful insight into the vagaries of managerial reality. This predilection was grounded in the realisation, long since arrived at, that much of what I had learned in business school had contributed but little to making sense of the events, circumstances, and behaviours I subsequently encountered in the 'real world'. Accordingly, I had always felt that some form of phenomenological immersion in a real-life organisational setting might add to the efficacy of the investigative process. Thus, when confronted by the concerns mentioned above, I had no hesitation in deciding to complement the propositional component of my research with an experiential counterpart. This eventuated as

[87] I explain what I mean by a 'Wittgensteinian-style' of philosophical enquiry in §3.1 following.

a three-year case study investigation into the day-to-day workings of one organisation, Agritest Laboratories.[88]

An important intuition underpinning the investigation was the view that because there is so much conceptual complexity associated with leadership, it should ideally be examined with at least three key dimensions of that complexity in mind. The first relates to the fact that leader-follower relations always play out within some specific context, and that the parameters of that context must surely have some bearing on the texture of relations evolving therein. Some effort should accordingly be expended in examining a real environment within which a given leadership community or communities undertake their daily functions. Second, some attempt should ideally be made to identify and understand the structures of the personal interactions that make up the various leader-follower encounters taking place on a daily basis. Third, an attempt should be made to identify the manner in which the human condition plays a role in shaping the constitutive relations and their outcomes.[89]

The disquiet hinted at in the preceding remarks is reminiscent of a wider concern that troubled Wittgenstein in the later period of his philosophical work. As his thought matured in the period between writing the *Tractatus* and the *Investigations*, he became increasingly averse to the project of theorising for its own sake. Instead, he sought to relate abstract speculation to the practical imperative of achieving worthwhile social change.[90] To explain more fully the

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[88] A profile of Agritest follows in §3.2.

[89] For present purposes, I use the term "human condition" to refer in a general way to the fact that individuals differ one from another, and moreover, can never be counted on to act with absolute predictability. As Kekes points out, our lives are much too dependent on the forces of contingency, conflict and evil to ever give us anything but the illusion of control over either ourselves or others. See, John Kekes, *Moral Wisdom and Good Lives*, (Ithaca, NY: Cornell University Press, 1995).

[90] For an interesting discussion of the early work of Wittgenstein, see Allan Janik and Stephen Toulmin, *Wittgenstein's Vienna*, (Chicago: Ivan R. Dee, Inc., 1996), pp. 20-30.

relevance of this position to the present enquiry, let us consider Bowden's (1998) recent investigations into the ethical possibilities of caring.[91]

Commencing from the intuition that caring is ethically significant, she sets about examining its moral structures by choosing an enquiry method based on the later Wittgenstein. She recognises that in the *Philosophical Investigations* he advocates an approach to speculative enquiry that emphasises sensitivity to context and "situatedness", and to the social dimension of human interaction, in contrast to exercising the more traditional exclusive appeal to purely abstract theoretical reflection. She worries that any effort to attend to the complex ethical possibilities of interpersonal relations is likely to be subverted by attempts to penetrate the nature of caring through purely speculative means. With this in mind she suggests that her primary aim is to "... reorient interest in the ethics of care by directing attention to the multiplicity and diversity of its practice in a variety of examples of specific caring relations".[92]

I believe there is a crucial similarity between Bowden's concerns and my own. We are both interested in the ethical possibilities of relationally intensive human activities, caring and leadership respectively.[93] Proceeding from a similar concern to that which motivated Wittgenstein a half-century earlier, she expresses a general unease with the penchant within moral philosophy for "grand theory-making". She suggests that the difficulties ultimately reside in "...deformations in understanding that emerge from moral theories that self-confidently presume their own universality and impartiality."[94]

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[91] Peta Bowden, *Caring: Gender-Sensitive Ethics*, (London: Routledge, 1997).
[92] Ibid., p. 34.
[93] It might well be argued, in fact, that Bowden could have added leadership as a fifth domain of caring, augmenting her work on mothering, friendship, nursing and citizenship.
[94] Ibid., p. 34. She cites Sidgwick's, *The Methods of Ethics*, as a classical exemplar of this grand-theorising approach.

Whatever the merits of this latter claim, what interests me is the rationale she provides for selecting an alternative mode of investigation. She asserts that the reductionist tendencies of traditional moral enquiry – in which intellectual, intuitive, and emotional habits are conceptualised in common terms – assume that universal and impartial moral codes can, in and of themselves, give answers to particular, concrete questions of morality. She rejects this framework by postulating, correctly in my view, the ethical irreducibility of specific real-life situations. She argues that "...no single theory can be created to subsume all instances, no moral concept can catch the essence of all of its uses, and no moral judgement can be expected to resolve a particular conflict without leaving further ethically significant aspects in its train."[95] Instead, by way of implied endorsement of Wittgenstein's notion of situatedness, she suggests that ethics should be viewed as constitutively contextual, and that its study should be pursued via interaction with the actual experiences of real people.

There is a further element of this position to which I am attracted. The real world is as much constituted by the mundane lives of so-called 'ordinary people', as it is by the glamorous and exciting lives of the rich and famous. This is especially true in the world of organisation and management. For every Bill Gates, Lee Iacocca, or Christopher Skase, there are thousands of ordinary individuals, possessing little by way of formal authority, status or positional power, who collectively make up the most representative expression of leader-follower relations in the vast majority of organisations.[96]

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[95] Ibid., p. 35.

[96] Bill Gates, President of Microsoft Corporation, is arguably the best-known business figure in the world today, while also reputedly the wealthiest individual on the planet. Lee Iacocca was a well-known figure in US big-business circles in the 1980s, notably as the CEO of the Chrysler Motor Corporation. Christopher Skase (now deceased) was an Australian business "icon of notoriety", famous for the role he played in the collapse of the Qintex Corporation in the early 1990s and his subsequent life as an international criminal.

While their stories may lack the glamour appeal of the larger-than-life figures found in the works of contemporary leadership writers like Peters and Waterman, Bennis, Handy, Klug and Oakley, et cetera, they are nonetheless very real. Their lives resonate just as well with the joys, sorrows and vicissitudes that constitute, perhaps more faithfully, the everyday drama of practical social existence in the average workplace.

This is not to say, of course, that celebrities (be they moral saints or villains) are not 'real people'. But it is to assert that the reality of the *extraordinary few* must be seen in contrast to that of the *ordinary many*, whose daily working lives are marked more by stress, struggle and routine than power, privilege, or special circumstance. Needless to say, there is little difficulty finding examples. They account for an overwhelming majority of those working in the average Australian business organisation.[97] I was drawn, accordingly, to the prospect of enriching my understanding of leadership by using an investigative process that would put me in touch with the palpable daily experiences of those actually living out the realities of the leader-follower dynamic within 'non-extraordinary' circumstances. The opportunity to conduct this form of enquiry presented itself through the medium of my role as a professional management consultant. I was engaged in November 1997 by Agritest Laboratories to act as external facilitator to what was expected to become a major process of planned medium-term organisational change.

Upon commencement, I sought and received permission from the client to act in the dual role of consultant and researcher. Towards this end, I looked for a research methodology that would allow for satisfactory discharging of both sets of responsibilities. Bearing in mind that the chosen methodology would

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[97] It is worth noting that of the approximately five hundred people employed by Agritest Laboratories, only five could be considered to enjoy real power and privilege, in the sense

need to satisfy the various parameters described above, I settled in the end on the process known as *Action Research*. For brevity purposes, I do not intend to say much about the nature of Action Research at this point. Suffice to record that it falls very much into the mode of non-scientific enquiry, insofar that it allows the researcher to immerse herself in the day to day activities of the situation being researched. It requires no appeal to the notion of detached observation, urging the researcher instead to take an active role with the subjects in the challenges associated with planning, implementing, monitoring and evaluating strategies undertaken to improve some situation or other. It is, therefore, very much a humanities rather than science centred enquiry method, thus fulfilling my particular need.[98]

3.32 Profile of Agritest Laboratories

Agritest Laboratories (*Agritest* for short)[99] is a privately owned agricultural science practice operating in regional Australia. It consists of several geographically separate and semi-autonomous laboratories, the largest of which was to become the focal point of my investigation.

The term 'semi-autonomous', as used here, reflects the fact that the individual laboratories are free to exercise individual discretion on (a) matters of scientific determination vis-a-vis cases presented; and (b) day to day decision-making in respect of routine financial and administrative matters. Matters of major managerial discretion, such as capital expenditures and negotiation of

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that their personal circumstances are palpably different from those of the other four hundred and ninety five.

[98] For a fuller account of Action Research, as it relates to the contemporary Australian context, the interested reader can refer to Cliff Bunning, *Action Research: An Emerging Paradigm,* (Brisbane: The Tertiary Education Institute, University of Queensland, 1994), Occasional Papers Series – No. 4, pp. 2-37.

[99] "Agritest Laboratories" is a fictional entity. To protect the identity of the client, what follows may best be termed a fictionalised account of an investigation within an actual organisation. Moreover, it should be noted that formal permission was received from the client (a) to undertake the study, and (b) to report it in this manner.

wage and salary levels, are coordinated centrally through head-office, but usually involve substantive input from the General Managers of the subsidiary laboratories.

The purpose of an agri-testing laboratory is to provide definitive diagnostic determinations on matters referred to it by clients, where the latter include individual growers (e.g. crop farmers), practising agricultural scientists who do not have their own testing facilities, specialist government agencies, and primary produce processing companies. Test materials normally come to Agritest as either randomly chosen or overtly diseased crop and plant specimens. When such specimens arrive at the laboratory, they are categorised, labelled, logged into a computer database, and streamed for subsequent analysis and processing. Approximately five hundred people are employed at Agritest facilities throughout Australia, with roughly half working at the Hawkesbury Laboratory, the main site of the investigation. Hawkesbury also houses the headquarters of the company. Of the five hundred or so employees, a total of fifty-three individuals hold formal supervisory or management roles. Agritest managers typically have between six and twelve subordinates reporting to them. To avoid confusion in the use of terminology in describing the research findings I will, in the remainder of this chapter, restrict myself to just two designations: supervisor and subordinate.

3.33 The research project

As mentioned above, the research investigation was undertaken in conjunction with a professional consultancy programme. The client stipulated, on commencement, that the main purpose of the latter would involve facilitating the introduction of development initiatives during a period of anticipated change. The notion of 'development initiatives', as the term is used here, denotes two generic types of activity. First, assisting with the formulation of *organisational development* strategies, where the latter term is intended to

signify any of a range of developmental initiatives which might from time to time be undertaken to improve the systematic functioning of the company as a whole. In respect of the designated work at Agritest, I was directed to concentrate on two main projects: (a) the introduction of a new system of performance review and evaluation; and (b) the design and implementation of professional development for supervisory staff. No restrictions were placed by management on the manner or extent to which the two roles of consultant and researcher were to be aligned, this being left to my own discretion. However, as indicated earlier, part of the rationale for choosing the Action Research methodology was its suitability for such a coupling, a fact that was both understood by and appealing to the client. It was agreed on commencement that the period of formal academic research would comprise the three calendar years 1998 through 2000. Finally, it should be noted, and is hereby acknowledged, that no attempt was made by Agritest management to interfere with, or influence, either the process or the outcome of the research component of the project.

The research component of the Agritest intervention had two distinct but related points of focus. The first, as indicated earlier, sought to use the opportunity for significant immersion in both the operations and culture of the company for the purpose of providing a phenomenological or experiential 'feel' for how leader-follower relations actually cash out in a practical workplace setting. The *Action Research* methodology provided scope for collaboration with company personnel in the planning and implementing of various social research projects. The protocols of the methodology ensured that (a) the research was carried out with as much rigour and discipline as is possible in a social setting where perceptions are being canvassed, and (b) there would be careful observation of, and reflection upon, the outcomes achieved. As we shall see

below, the process revealed insights more extensive in number and more penetrative in depth than had been anticipated.

The second focal point of the Agritest involvement, reflecting the intended prescriptive component of my overall project, was to investigate what might be done in practice to promote and expedite the cultivation of ethical effectiveness among those with leadership roles to play. The outcomes in respect of the latter component will be more fully discussed in Chapter 6. Before moving to an examination of the findings, the reader can note that the data that led to them was forthcoming, in line with Action Research guidelines, from a combination of on-the-spot observation, personal discussions, and group sessions in which I acted as facilitator/participant. The latter were often used as forums to discuss and evaluate the outcomes of particular initiatives undertaken, with a view to determining their impact against cost-benefit or other pre-ordained parameters. All in all during the three-year period of the study, I logged approximately 1,400 hours of contact time in direct involvement with or observation of Agritest personnel.

3.34 Findings

3.341 Two findings of indirect significance

Before giving an account of the specific findings that directly inform the discussion of the ethical intricacies of managerial leadership, let us firstly take note of two more general discoveries. These relate respectively to (a) the pervasiveness of change in the contemporary Australian environment, and (b) the low-level of understanding of the nature of the ethical encountered among Agritest employees. During the three-year period of my research process, the Agritest environment was characterised by a number of significant changes. Chief among these was a takeover resulting in the ownership structure of the company changing from privately owned and completely autonomous to the status of being a relatively minor subsidiary of a European-based publicly-listed

multinational corporation. This took place approximately one year into my period of involvement.

While a corporate takeover is by no means an unusual occurrence in contemporary Australia, what happened next at Agritest certainly is. Within six months of the European takeover, the new owners in turn sold out to a publicly-listed Australian corporation in a move nobody anticipated. This forced Agritest employees, by now just about becoming accustomed to the original change of proprietorship, into a state of organisational and psychological discontinuity. Readers with experience of corporate takeovers will appreciate the significant dislocating impact they can have on those employed by the acquired entity, in this case Agritest. In such situations it is not uncommon for the new owner to insist on compliance with its existing corporate policy platform. In the case of Agritest, this meant a quick-fire double dose of such enforced changes.

All in all, within a period of eighteen months from the time of commencement of my project, Agritest employees faced a non-negotiable requirement to implement a range of major changes. These included (a) a new system of performance management, (b) revised operating procedures within the various scientific functions, (c) participation by staff in mandatory training programmes, (d) compliance with altered quality assurance standards, and (e) adoption of new customer service protocols. Running concurrently with these changes was an overriding imperative, initiated under the first new owner but intensified under the second, to improve productivity via a tightening up of cost structures. At one Agritest meeting, it was bluntly stated by a senior executive: "You'd better get used to the idea from now on of having to do more, with less, under conditions of ever-more-stringent scrutiny and accountability!"[100]

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[100] This is what, in Chapter 1, I referred to as the 'new economic imperative' shaping the culture and operation of many modern Australian corporations.

The effects of these changes were twofold. As one would expect, it created within Agritest an atmosphere of fear and uncertainty, of wondering to what extent this inexorable trend might ultimately begin to threaten employment security. This was especially the case after the second take-over, as the new corporate owner had many similar operations to Agritest in the Australia-New Zealand region. Added to the burden of the additional work created by the introduction of the various initiatives mentioned in the previous paragraph, the net effect was a significant increase in stress levels throughout the company.

The second perceived effect had to do with the manner in which these changes affected supervisor-subordinate relations. In most instances mediated by the elevated stress levels just alluded to, these relations were frequently seen to deteriorate. Hitherto stable relationships often turned sour as a consequence of the inability of both parties to cope with the higher stress levels to which they were being subjected. This is undoubtedly main reason why the topic of leadership style had such currency during the period of my intervention.

Of significance to the current project was one further ancillary finding to which I now wish to draw attention. Again the result of specific questions asked during one-on-one discussions, and confirmed by the results of focus group interviews, I discovered that there was a very low level of understanding throughout Agritest of the nature and scope of ethics. I posed questions such: (a) In your view, what's covered by the term "ethics"? (b) What does it mean to act ethically or to be ethical? (c) How does ethics come into the relationship between supervisor and subordinate? The resultant discussions clearly suggested that the majority of respondents had but a vague and nebulous grasp of the concept. Those with tertiary level education in professional disciplines (an impressive percentage at Agritest) tended to equate ethics with codified behavioural standards laid down by their representative bodies–for

example, the Code of Ethics of the Australasian Society of Plant Pathologists. Those with secondary or equivalent level education were more prone to offer answers such as: "Well, I've never really thought about it. I think I know what ethics means, but I just can't put it in words."[101] When these questions were asked of groups comprising exclusively management-level personnel, and when related specifically to what constitutes ethical practice in leadership roles, the responses were equally vague. In this context, the main interpretive aberration seemed to be a tendency to equate the ethical with the legal. With these macro-level findings acting as a backdrop, the stage is set to examine their micro-level counterparts addressing the specifics of leadership.

3.342 Ability to *recognise* leadership

I believe it was the British aristocrat, Lord Longford, who once said of the elephant: "I can't describe the fellow, but I certainly recognise him when I see him." Much the same ability exists among Agritest employees in respect of leadership. They seemed well capable of distinguishing it from other styles or modes of supervision. As very few of them were trained in business management or associated social scientific disciplines, this seems to suggest that Australian workers do not need access to textbooks, journals or other propositional learning opportunities in order to make correct discriminations as to the nature of leadership. Common sense and reflective observation seem to suffice.

Two independent sources contributed to this finding. First, during the numerous one-on-one discussions in which I participated, individual staff members consistently demonstrated an ability to speak of leadership in a

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[101] The reader should note that during the three-year period of the Agritest investigation, I also conducted more limited consulting assignments at other organisations. On various occasions in these different environments, I also posed questions regarding the nature and scope of ethics. I did this in order to test the extent to which the Agritest response pattern

manner suggestive of a familiarity with the theoretical distinctions made in the literature. For instance, most were able to indicate that leadership only emerged in consequence of there being willing followers. This occurred notwithstanding the fact that, as mentioned above, few had any such familiarity.[102]

Second, *focus group*[103] sessions held at all three locations corroborated the views offered during individual discussions, but generally went further in addressing the relevant variables involved in the leadership equation. These sources in combination made it clearly apparent that Agritest employees found it quite easy not only to identify leadership, but to differentiate it from other styles of supervisory practice. One reason for this turned out to be the fact that many staff members held a fascination for or preoccupation with the topic. They engaged in close and critical observation of supervisory practice on a day-in day-out basis, often comparing notes during tearoom discussions concerning the respective styles of the various supervisors. Indeed, in many of the informal discussions to which I was party, the observations offered vis-a-vis the attitudes and behaviours of the various supervisors under discussion were invariably in line with my own.[104]

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might be unrepresentative. It was not. Similarly low levels of understanding were recorded during all such sessions.

[102] During my three-year investigation, I encountered a total of six Agritest employees who had had any experience of business studies literature. Moreover, in all but one of these cases, the degree of familiarity was but superficial.

[103] The so-called 'focus group' interview is a much-used social research technique in the Australian organisational environment. Conducted properly, it involves a group of approximately fifteen participants exchanging views on a given topic under the moderation of an external facilitator. During the three-year study, I used separate focus group sessions to canvass views on (a) the nature of leadership, (b) how well Agritest managers displayed leadership ability, and (b) the scope, nature and meaning of ethics. For a discussion of the focus group interview technique, see Chapter 9 of Earl Babbie, *The Practice of Social Research*, (6th edition), (Belmont, CA: Wadsworth Publishing Company, 1992).

[104] The reader should not take this as a patronising statement on my part. What I am trying to convey is the fact that their views, invariably uninformed by any type of theoretical study, generally coincided with those of a student of leadership practice.

But perhaps the most pertinent finding in this regard relates to a tacit categorisation of the fifty-three supervisory personnel into one or other of three groups. Each individual supervisor at Agritest was adjudged to be (a) a *Real Leader* (b) an *OK Boss,* or (c) a *Waste of Space.*[105] Regarding this latter category little needs to be said. As the designation suggests, to be considered a '*Waste of Space*' means to be a supervisor without redeeming qualities, one whose mere physical presence alone was adjudged an inappropriate use of the ground being taken up. For those unfamiliar with Australian culture, the language used here is instructive insofar as it reflects the inherent irreverence of the national psyche, an irreverence that is particularly conspicuous in respect of the general attitude to formal authority. Eight supervisors at Agritest were assigned to this unprepossessing category, which if somewhat insignificant in absolute terms takes on a more concerning profile when viewed in percentage terms. The best way to gain an understanding of the full extent of the perceived vacuity of this style of managerial supervision is to explore the manner in which the other two categories came to be differentiated.

3.343 Distinguishing *Real Leaders* from *OK Bosses*

Real Leaders can be distinguished from *OK Bosses* on two grounds. They were seen to establish strong bonds with subordinates, and were viewed as reliable helpers and coaches. Within the Agritest culture the most distinctive feature of those considered *Real Leaders* was an empathetic and caring attitude in respect of their subordinates. They appeared both able and willing to identify with and respond to the psychological needs of others, that is, they seemed in touch with their motivational, emotional and related needs. To demonstrate this capacity they needed to show, at least occasionally, something of their own "humanness". This necessitated showing, for example, some sign of their own

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[105] Let me remind the reader that these three supervisory designations came from Agritest staff. The exact differentiation came in the latter part of the second year of the study when focus group sessions were being conducted.

vulnerability in respect of what was going on around them, together with a sense of their personal hopes or fears for the future. Moreover, they had to be able to demonstrate the depth of their caring and concern for the wellbeing of subordinates. The latter learn more readily, accept directions, and at the same time feel more personally secure and committed, when the leader displays this type of concern and commitment.

By contrast, *OK Bosses* were seen to show empathy and caring, but only up to a point. Their lack of depth in this respect was reflected in two specific tendencies. One was a proneness to show or express emotion in a bleating way without seeming to possess an ability to channel it into some purposeful or assertive response. The second was evident in the tendency, seen in many, to show their care and concern for subordinates while "things were going OK", but to allow this to become severely diluted in the face of external demands.

A widespread manifestation of this took place during the two post-takeover periods when strong pressure came on from corporate headquarters to elevate productivity and reduce costs. Many of those in the *OK Boss* category were seen to "show their true colours" at this juncture. The extent of their concern for others' wellbeing became noticeably weaker. They seemed unable to reconcile competing demands. *Real Leaders*, however, seemed able to promote the legitimate call for greater personal effort from subordinates while maintaining the same level of sensitivity and compassion for them, especially in these more stressful times. In summary, both *Real Leaders* and *OK Bosses* would typically display an empathetic and caring attitude to subordinates on a day by day basis. The distinguishing feature was the consistency and reliability of the former in never wavering from true commitment to these values.

On a related dimension both *Real Leaders* and *OK Bosses* displayed a pattern of holding strong views on what needed to be done. Both would espouse active personal conviction towards the achievement of these ends, which in turn

were typically seen by subordinates as worthwhile and relevant. Indeed, both would typically work hard and persistently in their pursuit and lead by personal example. Again the difference manifested itself in relation to degree of conviction and depth of courage. When confronted by adversarial forces those categorised as *OK Bosses* tended to buckle under their weight, often moving to behaviours that were inconsistent with the espoused position, including excessive bossiness, sulking, testiness, et cetera. In these situations they tended to demonstrate stronger allegiance to the primacy of their own personal agendas–self-protection, self-promotion, self-aggrandisement, self-protection, et cetera–than to the democratic values to which they were overtly committed. They were seen to lack the courage of their convictions, whereas the *Real Leader* generally was not found lacking in this regard. Along similar lines, the latter was seen to display consistently high levels of professional honesty. This manifested in four main ways.

First, they were courageous in and adroit at ensuring that the legitimate needs and concerns of all categories of stakeholder received appropriately balanced attention. Organisational managers typically must serve the interests of several stakeholder categories, and typically these interests are not conveniently and felicitously aligned. For instance, shareholders are looking for maximisation of profit; employees are looking for long-term employment security and maximisation of income; banks are looking for evidence of ability to service loans; customers are looking for the best possible deal and superior service levels. It often takes great skill on the part of a manager to ensure that some reasonable form of alignment is being brought to bear. In this respect, the *Real Leader* could be seen from time to time to take a position not obviously in the best short-term interests of subordinates. When they took such a position, however, they would take the time to explain the reasons for it. *OK Bosses* for their part were much more likely to align themselves, at any given

point in time, with the stakeholder capable of wielding the greatest amount of influence over their own personal best interests.

A second manifestation of the professional honesty of the *Real Leader* occurred in respect of strategies selected to achieve nominated goals. Typically *Real Leaders* would not allow ends to justify means, especially in respect of the particular manifestation of this encapsulated within Kant's *Categorical Imperative.*[106] This was less frequently the case with *OK Bosses*, who were more prone to manipulate or deceive when self-interest came into conflict with professional objectivity. Third, *Real Leaders* could typically be counted on to give credit willingly to subordinates for either individual or group achievements. More important, perhaps, was their commensurate tendency to accept culpability on behalf of the group when, for instance, targets were not met. *OK Bosses*, in contrast, were more flexible and inconsistent in respect of the credit-blame trajectory. The fourth and final way in which the display of professional honesty was observed to vary between *Real Leader* and *OK Boss* revolved around the sharing of information. For their part, *Real Leaders* generally seemed unconcerned about the prospect of losing personal power in virtue of sharing information to which they were privy. They seemed quite happy to trust the integrity and sense of responsibility and confidentiality of their subordinates with such information, showing no apparent concern regarding how the act of sharing might in some way diminish or threaten their personal power base. *OK Bosses* again showed much less resolve and consistency in this respect. They could from time to time be seen to withhold information altogether, or to

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[106] An expression of Kant's Categorical Imperative is *"Act so that you treat humanity, whether in your own person or in that of another, always as an end and never as a means only."*: (Two qualifying comments are needed, however. First, this is not the only version. Kant himself also offered this alternative: *"Act only according to that maxim by which you can, at the same time, will that it should become a universal law."* Second, while the author considered these to be substantively similar, subsequent interpretations are, by no means, in agreement on this. For a discussion of this point, see D. J. O'Connor, *A Critical History of Western Philosophy,* (New York, NY: The Free Press, 1964), pp. 308-313

release it in a controlled or contrived way, when doing so would serve their own personal best interests.

In summary, it might be said that while *OK Bosses* and *Real Leaders* could both display many of the same characteristics, the former tended by and large to give mixed messages. They typically showed less consistency in the manner in which they lived out their espoused values. When short-term expediency or personal self-interest came into conflict with espoused positions or group wellbeing, the former tended to take precedence over the latter. Not so with *Real Leaders,* who rarely if ever were seen to compromise themselves in this way. In respect of this important differentiation platform, the Agritest investigations identified one further significant finding. Rank and file employees were prone to become fatigued by the behaviours of *OK Bosses*. The constant need to be vigilant about their motives and tactics served to sap their energy, enthusiasm, and ultimately their sense of commitment to those individuals.[107] Both the motives and behaviours of *Real Leaders* in contrast required no such second-guessing. In consequence, their subordinates had more psychic energy available to put into purposeful, value-adding activities.

Let me remind the reader of the claim made earlier to the effect that *Real Leaders* can be distinguished from *OK Bosses* on two grounds: the extent of the psychological bonds established with subordinates, and the latter's perception of them as reliable helpers and coaches. Thus far I have examined the evidence supporting the first of these. It is time now to turn to the second. It will come as no surprise to be told that *Real Leaders* were invariably seen as willing to provide technical on-the-job support to subordinates, particularly when the latter were under pressure to meet performance deadlines and so

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[107] It is interesting, in relation to this point, that some individual respondents said they found it less tiring working for the *Waste of Space* than the *OK Boss,* the former being nothing if not predicable, albeit in unsavoury ways.

forth. Likewise it would be unsurprising to discover that *Real Leaders* were willing to coach subordinates in the sense that a football coach works with players, honing individual skills and fostering teamwork. In fact, at Agritest those classified as *OK Bosses* often did both these things.

The manner in which subordinates ultimately drew the distinction between the two is most telling, however, and goes a long way towards shaping an outsider's understanding of how true leadership was perceived in that context. One way of grasping the essential difference is to think of *OK Bosses* as liking the fact that subordinates were dependent on them: on their knowledge, their superior technical skills, their broader base of experience, their stronger personal power base, et cetera.[108] In contrast, *Real Leaders* seemed keen on promoting the autonomy and self-sufficiency of subordinates, on emancipating them from any undue form of dependency on themselves or each other. Indeed, whereas *OK Bosses* tended to view subordinates as important but by and large instrumental cogs in the system, *Real Leaders* saw them first and foremost as individual human agents. In consequence of this different fundamental perception, they tended to view the coaching agenda as one established primarily around a need to develop their subordinates *as people* rather than as functionaries, as human beings with individual needs based on their unique patterns of individuality.

One way in which this difference in primary perception (as unique individual versus instrumental cog) manifested itself was via the manner in which *Real Leaders* tended to fade into the background while at the same time remaining totally cognisant of the psychological economy around them. They unobtrusively stayed connected with the problem-solving challenges facing their subordinates, knowing as if by instinct when to step in with advice or other forms of assistance. *OK Bosses* on the other hand were typically much less

attuned to these psychological subtleties, often falling into traps like over-coaching, meddling, or taking charge prematurely and thus disempowering subordinates.

3.35 Re-interpreting leadership in light of these findings

The opportunity to observe supervisory practice in a systematic way over an extended period of time, and in circumstances so marked by the effects of large-scale organisational change, provided a remarkable window into the nature of leadership. Being involved in the process of phenomenological enquiry – where actual leader-follower relations were experienced firsthand – facilitated arrival at a depth of insight not matched during my prior excursions into the literature. Two conclusions can be drawn at this stage about organisational leadership in the context of my overall argument. The first serves the important purpose of providing that argument with a stronger sense of justification than might otherwise have been the case. Stated simply, the Agritest experience succeeded in demonstrating the extent to which effective leadership *matters*, especially in circumstances characterised by the turbulent forces of change.

In saying this, I am drawing specifically on the distinction made by the Agritest community between *Real Leaders* and *OK Bosses*. When times are tough, pressures mount and stress levels soar. Individuals struggle to cope as the cumulative effects of exponential change are experienced. They invariably turn to their supervisors for guidance, support, encouragement and example. When these are forthcoming, it has the not inconsequential effect of lessening the burden, albeit often at a purely psychological level. But, as was made clear at Agritest, a large part of what leadership is about concerns the psychological economy obtaining between supervisor and subordinate.

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[108] It has to be said that in many cases the *OK Boss* would give freely of these gifts.

My second conclusion builds on the previous point, insofar as it involves a teasing-out of the nature of this psychological economy. Let me remind the reader that the Agritest study served to show, to a degree not made explicit for me by the literature, that leadership can be distinguished from other modes of supervisory practice in virtue of two main characteristics. These were (a) the nature of the psychological bonding between the parties and (b) the degree to which the supervisor is willing and able to act as coach and mentor. Let me now extend this analysis beyond the point arrived at earlier.

I believe the claim can viably be made that *willingness to follow* arises in response to *worthiness to lead*. To offset a possible objection regarding the stating of a truism, the matter needs further exploring via the question of what gives rise to worthiness to lead. My experiences at Agritest suggest that two principal variables come into the equation: confidence and trust. The idea of having confidence in one's supervisor was a regularly raised parameter in discussions concerning the difference between *Real Leaders* and *OK Bosses*. When asked to expand on this, respondents often spoke in terms such as "feeling comfortable with" the supervisor because of her obvious abilities. A variant on this was a reference to her as someone with a "commonsense" or "no nonsense" approach.

Further delving brought to light a more specific explanation. When pressed, it seemed that validating supervisors in respect of being confidence inspiring had a lot to do with their perceived levels of technical competence. The notion of "technical" in this respect had two dimensions to it. In the first instance it was used in reference to the specific work being conducted by the team in question. One scientist said of his immediate supervisor, whom he classed as an *OK Boss*, "He's a nice guy and we all like him, but Jeez, he's a hopeless scientist. There's really no point in asking his opinion on anything technical". The other meaning of "technical" related to the technicalities

associated with managerial work, of which the following response was illustrative. "He has no idea how to prepare our business plans and budgets. We get into strife regularly with the brass over this. The problem is that it reflects badly on all of us." Another example of lack of confidence in a supervisor's perceived managerial competence can be seen in the following reference to poor capacity to coordinate and monitor: "She always gets the rosters messed up. And then, when she eventually gets them out, she's dismal at getting us to keep to them."

Interestingly, however, a third area of competence considered "non-technical" also came to light. This was the perceived ability of *Real Leaders* to communicate well with subordinates. When explored further in personal interviews, this turned out to have three components to it. In the first instance, and very importantly, effective communicators were considered to be "good at really listening to what I have to say". On probing precisely what this meant, the picture became perfectly clear during one particular interview. The respondent said that she often encounters people who do one or other of three things. They either (a) listen with judgement, (b) listen with cynicism, or (c) listen with envy. This was her way of saying that they did not really "hear" what she was saying. They missed her intended message because her words were being filtered through the listeners' various mental paradigms.[109] These can be thought of as unconsciously held assumptions, preferences, ideological biases, emotional biases, and so forth. As such, they go unchallenged by the individual concerned who, by definition, is unaware of holding them. While judgement, cynicism and envy were the specific factors pinpointed by my respondent, it is not difficult to identify various others which would similarly result in the corruption of a listener's ability to hear the intended message.

Listening with anger, resentment, contempt are further examples that immediately spring to mind. On reflection, then, I came to the conclusion that effective listening might be described as the ability of the manager to hold a balanced perspective in respecting the validity of a subordinate's point of view, irrespective of whether in agreement or not with it. In this sense, it might be further concluded that it amounts to a willingness to listen non-judgmentally and with empathy.

A second indicator of effective communication ability, in some respects an extension of the first, related to the manner in which *Real Leaders* seemed able to encourage subordinates to be forthcoming on a range of issues. On one occasion this was described in the following terms: "Something I like about Francine (her supervisor) is that she's quick on the uptake. If something is bothering one of us in the department, all we have to do is drop a slight hint. She has this great ability to make it easy for us to spell it out to whatever level of detail is necessary. Even if this involves an implied criticism of her, she makes it easy for us to say what's on our mind."

This capacity was seen to involve not only an ability to commence by listening non-judgmentally and with empathy, but the further ability, via appropriate questionning technique, to elicit more information. It was interesting to note that the additional information thus elicited often provided the listener with insights into the emotional as well as cognitive consciousness of the subordinate.

Regarding the issue of performance-related communication, *Real Leaders* were seen to keep subordinates informed on how they were doing. They seemed comfortable in providing either positive or complimentary feedback on

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[109] Refer to Kuhn's discussion of paradigms in Thomas S. Kuhn , *The Structure of Scientific Revolutions,* 2nd edition, (Chicago: The University of Chicago Press, 1970. See in particular pp. 43-51.

the one hand, but also in drawing attention to concerns about inadequate performance. Moreover, they tended to raise these concerns at an early stage, thus obviating the more embarrassing and traumatic side effects of drawing attention to poor performance when "things had gone too far". An interesting and, for me, unexpected characteristic of these effective performance communicators was their apparent willingness to take as well as give feedback. "My department head encourages me to tell her how well or otherwise I think she's performing in her role as my boss. She says that in the same way that I have responsibilities to be a good employee, she has responsibilities to be a good boss." This sort of openness to reciprocal feedback was very much at variance with the more standard experience within Agritest. The majority of managers and supervisors did not invite feedback on their own performance. When questionned as to why this was, by far the most common answer approximated to, "To be honest, I've never really thought about asking for feedback." This, in itself, was insightful, suggesting not so much an unwillingness to accept feedback as a total lack of recognition of why being willing to ask for it might contribute to the communicative relationship with subordinates.

Real Leaders within the Agritest culture thus characterised themselves as people capable of inspiring confidence in their subordinates, confidence that was grounded in a range of competencies displayed by them. Related to this, but comprising a different set of forces, was their ability to inspire trust. This turns out to be an unsurprising finding when looked at in light of the emerging literature on leadership ethics. Ciulla, for instances, argues that ethics is not just a peripheral dimension of leadership; rather, it lies at its very heart. She provides a hint as to what she means by this in further asserting, "A good way to learn about leadership is to examine how trust is earned and given within a

leadership community."[110] As we shall see, trust is indeed central to my overall argument. But, as Solomon and Flores correctly point out, discussions about it tend to be replete with cliches and platitudinous exhortations, but notably lacking in the provision of any substantive insight into its nature or scope. In an attempt to avoid falling into the same trap, I will provide a more comprehensive account of the nature of trust in Chapter 4.

3.4 Invoking Literary Licence

3.41 Introduction

I adopt the term 'literary licence' to refer to the idea of seeking meaning and understanding through devices such as myth, archetype and metaphor. I do this for two reasons. First, such devices can be important in getting at the emotional elements involved in ethics and leadership. Second, they are common means employed by people to understand and interpret their own life experiences.

Unlike scientifically grounded empirical evidence that points directly to meaning and comprehension, literary devices generally do so in an indirect way. Indeed, certain philosophers have long seen merit in the method and used it to good effect. In introducing *Love's Knowledge: Essays on Philosophy and Literature*, Nussbaum for instance says:

> ... there are some views of the world and how we should live in it–views, especially, that emphasize the world's surprising variety, its complexity and mysteriousness, its flawed and imperfect beauty-that cannot be fully and adequately stated in the language of conventional philosophical prose-a style remarkably flat and lacking in wonder-but only in a language and in forms themselves more complex, more allusive, more attentive to particulars.[111]

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[110] Joanne B. Ciulla, Introduction, in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership*, (Westport, CT: Praeger, 1998), pp. xv-xix.

[111] Martha Craven Nussbaum, *Love's Knowledge: Essays on Philosophy and Literature*, (New York, NY: Oxford University Press, 1990), p. 3. pp. 102-103.

In the paragraphs that follow, I intend to invoke all three devices mentioned for the purpose of further exploring the nature of managerial leadership, towards the eventual end of understanding it sufficiently well to draw out its ethical intricacies.[112] I start with what I believe to be an instructive metaphor.

3.42 The metaphor of ecological literacy

As we saw in §3.2, the Agritest study gave a palpable face to various realities of organisational work life in this country at the present time. For present purposes let me remind the reader of just two of these. We noted (a) the extent to which the modern workplace environment is being shaped by the impact of rapid and recurring change, and (b) the extent to which the contemporary managerial ethic is in thrall to an ethic of economic rationalism. This has prompted some observers to invoke the metaphor of ecological literacy for the purpose of drawing attention to the need for a certain reform of managerial and leadership consciousness.

Natural ecosystems that have not been compromised distinguish themselves in virtue of an ability to flourish over time, while simultaneously serving a life-giving or life-affirming purpose. They achieve this by allowing all participating subsystems to flourish in turn. Now consider the idea of the work organisation as a ecosystem. In this metaphor, the organisation, as a totality, is made up of various interdependent subsystems. Thus, the technological subsystem is dependent on (a) the research and development and (b) the capital funding procurement and budgetary subsystems. The manufacturing subsystem is dependent on the technological subsystem.

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[112] Another contemporary philosopher who values metaphor for purposes of ethical enquiry is McCollough. See, for instance, his segment, *"The Metaphor as Model"*, in Thomas .E. McCollough, *The Moral Imagination and Public Life: Raising the Ethical Question*, (Chatham, NJ: Chatham House Publishers Inc., 1991), pp. 102-103.

The finance and accounting subsystem is dependent on the information management subsystem. (The list of illustrations for a modern complex organisational entity is way too long to attempt to present in its entirely.) But, of course, all organisational subsystems are dependent on the *human subsystem*.

Now consider the situation at Agritest. While a programme of relentless change was being conducted over an extended period of time (e.g. several changes of owner, the introduction of systems of performance management and quality control, et cetera), senior management was simultaneously engaged in a process of "bogus empowerment"[113]. Agritest employees, however, were not stupid. They understood what was taking place and responded by becoming, in line with Lambkin's suggestion, both passive and conformist in outlook.[114] The company was being driven by a philosophy of unchallenged economic rationalism. No suitable critique was forthcoming from members of senior management because they remained oblivious to the nature and extent of the problem. Meanwhile, rank and file employees were feeling the deleterious effects, but remained silent in consequence of a passive and conformist outlook born out of an accumulating and deep-seated cynicism.[115]

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[113] This is the term used by Ciulla to describe those instances of corporate rhetoric that seek to convey to employees the feeling of being licensed to express themselves fully and completely while on the job. Meanwhile, the norms that constitute observable management behaviour are clearly at variance with the rhetoric. Typically, in such situations, two outcomes can be predicted: (a) the employees are not fooled; (b) they become even more cynical or demoralised than they might otherwise have been. See Joanne Ciulla, *Leadership and the Problem of Bogus Empowerment,* Joanne B. Ciulla (ed.), *Ethics: The Heart of Leadership,* (Westport, CT: Praeger, 1998), pp. 63-86. Ciulla's notion of "bogus empowerment", in this respect, is akin to what Willmott refers to as "corporate culturism". See Hugh Willmott, *Strength is Ignorance; Slavery is Freedom: Managing Culture in Modern Organizations,* Journal of Management Studies, 30:4, 1993, pp. 515-552.

[114] K. Lambkin, *The Hegemony of Rationalism and its Influence on Organizations,* ALAR Journal, Vol. 3, (1), 1998, pp. 3-18.

[115] Within the Australian corporate idiom (which will be discussed in more depth in Chapter 5, the irreverent term for this process is the "BOHICA management style", where BOHICA stands for 'Bend over, here it comes again!'

The situation may be summarised by saying that in failing to see the organisation as an ecosystem, senior management missed certain key indicators. They failed, as Passfield notes, "... to acknowledge interdependencies, the centrality of relationships, the impact of negative feedback loops on morale and spirit, the need for diversity and the capacity to recycle human creativity into more productive pursuits."[116] Moreover, when there is the suffocating reality of economic rationalism in combination with bogus empowerment, one inevitably ends up with a damaged ecosystem. As Lambkin suggests, one outcome is likely to be the marginalisation of human qualities such as "... spirit, common sense, doubt, perception, faith, emotion, intuition, experience; and a denial of our most important instincts – the democratic, the practical, the imaginative." The antidote that is needed is that of 'ecological literacy'.[117]

Capra defines ecological literacy in the following terms. "Being ecologically literate, or 'ecoliterate', means understanding the principles of organization of ecological communities (i.e. ecosystems) and using those principles for creating sustainable human communities."[118] He goes on to argue that at least four key principles are involved. The first involves keeping in mind the inherent interdependence of the constituent subsystems; to see the challenges to be faced in 'win-win' terms. The second holds that as all human communities are made up of webs of relationships, to nourish the community is to nourish the constituent relationships. The third points to the cyclical nature of ecological maintenance, in the sense that nutrients are continually in motion. The outputs of one subsystem act as food for another. There are no waste products or

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[116] Ron Passfield, *The Challenge of Ecological Literacy,* keynote presentation to ATICCA '98 (national conference of the Australasian Tertiary Institutions Commercial Companies Association), 1998, p.2.
[117] Ibid., p.6.
[118] Fritjof Capra, *The Web of Life: A New Synthesis of Mind and Matter,* (London: Flamingo, 1997), p.289.

rejects in nature). Finally, ecology respects and values the notion of diversity, as this is the factor that produces richness and sustainability.

In light of the above, it might be suggested that ecological literacy is a quality needed for effective organisational leadership. To understand why this is so, consider Lambkin's suggestion to the effect that economic rationalism is based on what he terms a "deficit mentality'".[119] This is the term he uses to indicate the idea of an 'either-or' mentality. Thus, for me to win, you have to lose. For me to be perceived as successful, you must be deemed a failure. A deficit mentality also manifests as an obsession with certainty, haste and efficiency; a fixation with specialist knowledge, control, structures, quantification, and with the supremacy of the intellect over emotion and instinct; and a denial of history and essential human qualities. But we know from Agritest that this kind of *deficit mentality management* led to ecological breakdown. By definition, therefore, something different is needed to produce a different outcome.[120]

3.43 Archetypes

3.431 Introducing the notion

Archetypes may be thought of as patterns of instinctual behaviour that are contained in and representative of what Jung called the collective unconscious. This is an idea not dissimilar from that of the Platonic Form. Just as. for Plato, every horse we encounter in the natural world is but an imperfect representation of the ideal Form, horse, so it is with archetypes. What we encounter in actual world of human affairs are but individual representations of original patterns or models of how people respond to life. The word archetype

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[119] K. Lambkin, *The Hegemony of Rationalism and its Influence on Organizations,* ALAR Journal, Vol. 3, (1), 1998, pp. 3-18.

[120] The reader will recall the discussion of Blank's "natural laws" theory in §2.34. I draw attention to this because his suggestion that leadership can be understood by reference to

is derived from the Greek *arche*, meaning original or primordial, and *tupos* meaning imprint or image. Thus, we might say that archetype means *an imprint of the original.*[121]

The language of archetypes is the language of symbols, and it is symbolism that imbues them with their power. A word or an image is symbolic when it points to something beyond itself, that is, beyond its obvious and immediate meaning. Thus, from the work of Freud, Jung, Adler and other leading continental exponents of depth psychology in the early part of the twentieth century, we know that archetypal images become manifest at the personal level in dreams, visions, and fantasies. At the collective level, they can be glimpsed in tradition, metaphor, liturgy, ceremony, ritual, rites, folklore, fables, legends, religion, occult, epics and sagas, mystery cults, fairy tales and the like.[122]

The general concept can readily be illustrated by referring to the age-old notion of the *warrior* archetype. This depicts what is nowadays colloquially referred to as the 'macho man'.[123] In the managerial realm in contemporary Australia, this archetype remains alive and well. It is immediately recognisable

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the notion of a 'dance', is suggestive of someone with a grasp of what is here being referred to as ecological literacy.

[121] For McBride, archetype means primordial image or form. See T. McBride, *The Dream Time of the Aborigines and Present Day Australia with Special Reference to the Role of the Healer.* Unpublished doctoral dissertation, C.G. Jung Institute, Zurich, 1979. O'Connor (1985) views archetypes as the dispositions to act, into which people pour specific images from life experiences, from birth through to death. See P. O'Connor, *Understanding Jung, Understanding Yourself,* (North Ryde, NSW: Methuen, 1985).

[122] See, for instance, the account given in J. Houston, *The Art and Science of Human Transformation.* A workshop conducted at the University of Queensland, Brisbane, sponsored by the Institute of Cultural Affairs, April 1990.

[123] The warrior archetype, as we shall see later in the chapter, is typically associated either with males, or more subtly, with the masculine dimension of the psyche. In the last twenty-five years, however, the feminist movement has given spawned some changes in this respect. "Zena – The Warrior Princess" is an expression of this.

in the feisty, authoritarian, aggressive boss who is constantly "in your face".[124] While these characteristics suggest a negative persona, the warrior is typically respected on account of his fearlessness in the face of adversity, ability to thrive under stressful conditions, and often a strong empathy for those whom he considers to be weak and downtrodden. As Passfield points out: "The warrior is renowned for his capacity to follow battle plans, focus on achievements that have external value, and dismiss anything that smacks of weakness or vulnerability."[125] For their part, in their interpretive commentary on the application of the famous Homeric myth to the practice of modern organisational leadership, Latemore and Callan depict Odysseus as someone who is the embodiment of the virtues of courage, persistence, and relentless commitment to the achievement of his goals. As they say: "Modern interpretations of the heroic leader often show an individual who fights the dragon, wins the treasure, and returns home triumphant." [126]

There are, of course, times when these unabashedly 'manly' traits may be entirely appropriate. For instance, when things are predictable and stable, or when there is a need for quick performance turn-around, strong, decisive leadership tends to become appropriate.[127] But, as was amply demonstrated at Agritest, in times of change, unpredictability, ambiguity and cultural ambivalence, the warrior mentality, on its own, is neither sufficient nor appropriate. Something more, rather than something else, is needed.[128] To understand what needs to be added, it is useful to turn to the *heroic archetype*.

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[124] Associated with this are various organisational aphorisms such as: (a)"It's my way or the highway"; (b) "Hey, if you don't like the heat, get out of the kitchen"; "Nice guys finish last". And so forth.

[125] Ron Passfield, *The Challenge of Ecological Literacy,* keynote presentation to ATICCA '98 (national conference of the Australasian Tertiary Institutions Commercial Companies Association), 1998, p.6.

[126] Latemore and Callan, 2000, p.3. Add ref.

[127] Refer to Goleman.

[128] While this represents my own experience, not only at Agritest, but in many other client situations, a corroborating account can be found in Cairnes. See M. Cairnes, *Approaching the*

3.432 The heroic archetype

To examine this, let us turn to what is arguably the most well-known of all traditional accounts, that of Homer's account of the Odyssean hero and heroine. In the Odyssey, Homer gives an account of Odysseus' journey home, having led an attack against his enemies at Troy.[129] During the twenty-year saga that follows, Odysseus finds himself confronted by most of life's quintessential human challenges. For instance, he must face up to the fear and terror he feels when threatened by the powerful and vengeful Cyclops. He must deal with temptation at several levels: the advances of the nymph Calypso; the allure of the Sirens encountered during his visit to Hades; and the possibility of a hedonistic but ultimately meaningless life offered on the idyllic isle of Aeolia. In addition, he must dig deep to figure a way past the twin threats of the monster Scylla and the whirlpool, Charybdis.

In terms of how he handles these challenges, Odysseus's response can be interpreted on at least two levels. In respect of the first, we see behaviours corresponding very much to the warrior profile discussed above. And, of course, this profile can be interpreted so as to fit comfortably with the philosophy of economic rationalism. After all, it views the marketplace as a *battlefield*, the competition as the *enemy*, and strategy formulation in terms of *pinzer movements* and *capturing the territory*. Nevertheless, while extolling these virtues as heroic, Homer manages subtly to mask, from a merely superficial reading, an additional message. This suggests that such virtues often conceal a fundamental commitment to patriarchy, force, control, and a purely instrumental view of the value of human relations.

Corporate Heart: Breaking Through to New Horizons of Personal and Professional Success, (East Roseville, NSW: Simon and Schuster, 1998).

[129] Homer, *The Odyssey,* translated by Robert Fitzgerald, (Garden City, NY: Doubleday, 1961).

As with the authors of all great literature, Homer's depth of insight into the human condition allows for the possibility of much more than mere superficial level interpretation of an obvious message. While the Odyssey can indeed be interpreted at the level suggested above (there is, after all, bloodshed aplenty and an apparent emphasis on winning), there is a great deal of complexity associated with both the characters in the drama as well as with the story *per se*. As Latemore and Callan (Ibid: p2) point out: "It is clear that Odysseus is not a typical "grunt". There is nothing simple about Odysseus (Ulysses). He differs from the typical warrior hero, such as Hercules. Rather, Plato regarded Odysseus as a polutropos, that is, a person who displays versatility and complexity." (Original underlining.) To get a clearer idea of what a more well-rounded archetypal structure might look like - what might be termed a polutropic characterisation - let us consider how one author has enlarged the profile beyond the virtues associated with the warrior.

According to Pearson[130], the heroic may be thought of as represented by four distinct archetypal manifestations: warrior, king, lover, and magician. These represent four distinct but complementary aspects of our humanness: courage, worldliness, sensibility, and wisdom. Moreover, we each possess elements of all four. Interestingly, two (courage and worldliness) are seen to represent the masculine part of human nature, and two (sensibility and wisdom) the feminine. Thus, the admonition to develop all four should be interpreted as a statement supporting equality of the genders. Having already dealt with the warrior, let us examine the other three.

The 'king' in each of us represents the ability to see things holistically, to see the 'big picture', to take the 'helicopter view'. Kings have acquired the experience to know that it is not sensible to jump to hasty conclusions.

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[130] Carol S. Pearson, *Awakening the Heroes Within: Twelve Archetypes to Help Us Find Ourselves and Transform Our World,* (San Francisco: Harper, 1991)

Likewise, they recognise the validity of other perspectives, and dismiss them only with the benefit of careful evaluative scrutiny. Odysseus learned about 'king' nature during his encounter with Scylla and Charybdis, when resourcefulness and common sense were needed to make hard choices, to steer himself, as it were, between a rock and a hard place. Moreover, as Latemore and Callan (Ibid: 3) put it, the worldliness of the king can be called upon to tell the warrior "... when to attack, when to retreat and when to form alliances." The 'king' is also the respecter of ideals, including those of fair play, honesty, honour, and respect for 'the other'. Odysseus discovered the 'king' during his encounter with good-living and morally righteous Phaeacians.

The 'lover' nature in each of us represents, in its most transparent manifestation, so-called 'feminine' traits like sensibility, sensitivity, sympathy, empathy, and a capacity to express one's feelings. This is the part of himself called forth by Odysseus' encounter with the bewitching Sirens of Hades. At a slightly deeper and more opaque level of manifestation, this is the ability within us to live life to the full, to find joy and optimism in every circumstance, even the dull and mundane. This was part of his lesson on Aeolia. The 'lover' in leaders is what gives them their ability to promote authentic relationships, to foster collaboration, team spirit and a sense of belonging; and, this is what gives them their ability to build high-trust communities.

Finally, our common 'magician' nature, represented by Odysseus' encounter with the cunning sorceress Circe, speaks to the human capacity for wisdom. This can be thought of as the outcome of a distillation process that includes components of information gathering, knowledge accumulation, and reflection on one's own experiences and those of others. The magician knows that the world is full of ambiguity, ambivalence and paradox, but is comfortable with those conditions. The reason for this is that the magician possesses the necessary complexity of character to recognise that life is rarely lived at the

polarities, but instead at varying points along the continuum. Thus, the leader as magician knows when to be mentor, coach, facilitator or director, and knows when it is appropriate to step back and allow others to emerge into leadership.

But Odysseus discovered something else during his encounter with Circe. He discovered the value of time spent in solitude. This is where reflective ability can be cultivated, away from the hustle and bustle of the many other demands that keep the warrior, lover and king preoccupied with their passions, their predilections, their projects, their hopes, and their fears.

3.5 Re-interpreting Leadership

What can be discerned about the nature of leadership in consequence of the richer picture presented by the two humanities-centred streams of enquiry pursued above?[131] While potentially many individual suggestive insights could be nominated, they can be slotted into two separate groupings for purposes of facilitating the present analysis. First, leadership is clearly about the special ability possessed by some managers (the co-called *Real Leaders* from Agritest) to forge strong and lasting emotional bonds with their constituents. Second, it is more a 'mindset' than the possession of specific qualities or the ability to demonstrate certain behaviours. Let us examine each in turn.

3.51 Leadership and emotional bonding

The traditional literature characterised leadership as essentially about the ability of one person (the leader) to influence others (the followers), in non-coercive ways, such that the latter would willingly follow the lead and example of the former. (Bass sums this up with the suggestion that, at the end of the

[131] I use the term "richer" here to convey some idea of the more thought-provoking insights produced, as compared to the somewhat arid and formulaic picture portrayed in the specialist O&M literature.

day, leadership is a "social-influence process".[132]) In the managerial context, this was seen to have much to do with the sort of vision or goal to which the leader was palpably committed and the means chosen to achieve it. The ethics of leadership, on this view, can be uncontroversially reduced to the extent to which both the vision and strategies chosen could be designated as morally problematical or otherwise. With few exceptions (those referred to in Chapter 2 as the 'systemic' models, most of the O&M works tend to reduce the social influencing process to groupings of traits or behaviours. As I conceded at the time, this perspective on the nature of leadership is not an invalid one. But it is partial or incomplete. This is especially so in light of the extent to which the emotional bond between subordinates and their managers was seen to be a determining factor in decisions about which of the latter would make it into the category of *Real Leader*.

Leadership, on this view, has little to do with charisma, charm, style, or even capacity to excite and inspire. Instead, it has a lot to do with the ability to build bridges, give hope, to build a community to which individuals feel they can belong, to support and facilitate, and to provide principled example. This is about emotional bonding because, at a very simple level, followers *feel* comfortable, motivated, secure, connected, and safe in such an environment. And, such feelings are nothing if not important manifestations of emotional responsiveness.[133]

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[132] Bernard M. Bass, *The Meaning of Leadership*, in J. Thomas Wren, (ed.), *Leader's Companion: Insights on Leadership Through the Ages*, (New York: The Free Press. 1995), p. 38.

[133] A good account of the extent to which this is the case can be seen in Justin Oakley, *Morality and the Emotions*, (London: Routledge, 1992), pp. 6-37. It should be pointed out, however, that there is more to human emotion than the purely affective or feeling component described here. But, for present purposes, it is enough to say that these subjective feelings are clearly part of emotional experience.

3.52 Leadership as a 'mindset'

I drew attention in Chapter 2 to the fact that the O&M tradition likes to view itself as part of the social scientific tradition, often with over-reliance on the *scientific* element. As such, I concluded, in addition to an over-reliance on the hypothetico deductive method of enquiry, it also tends to produce some sterile and formulaic representations of its various constituent topics. When the topic under review is an aspect of organisational work or life that readily lends itself to this paradigm, then there is no problem (e.g. efficiency measurement, variance monitoring, and so forth). But when the topic is the emotion and value-laden field of leader-follower relations, then these kinds of representations can appear facile and out of place.[134] Moreover, in its pursuit of scientific or quasi-scientific answers, the tradition has also tended to produce listings, again as seen in Chapter 2. Indeed, it is difficult to avoid scientific-style outcome representations when the philosophy and methodology employed are that way inclined.

The methods employed in this chapter – those employed within the humanities tradition – necessitate no such intellectual gridlock. Instead, the insights gained enable me to suggest leadership be viewed in an entirely different way, that of *leadership as mindset*. What I mean by this can be summarised as follows. The real world of supervisor-constituent relations, as was amply demonstrated at Agritest, is not one replete with predictability and clarity. On the contrary, it is more akin to a frog than a bicycle, as Mant points out.[135] It tends to be more adequately characterised by ambiguity rather than

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[134] While much of the traditional O&M literature has been this way inclined, there are exceptions. The systemic models discussed in Chapter 2 are examples. So is the work of some isolated authors. Zaleznik, for instance, sees leadership as based on a compact that binds those who lead with those who follow into the same moral, intellectual and emotional commitment." See Abraham Zaleznik, *The Leadership Gap*, Academy of Management Executive, (4, 1), 1990, p. 12.

[135] Alistair Mant, *Intelligent Leadership*, (St. Leonards, NSW: Allen and Unwin, 1997), pp. 51-62.

clarity, difference rather than sameness (gender, ethnicity, education level, et cetera), the unexpected rather than the predictable (e.g. the second Agritest take-over hot on the heels of the first).

To be somebody capable of surviving and prospering in such a world, and in particular to be somebody capable of influencing others in such an environment, it is necessary to be adaptable enough psychologically to cope with the ambiguity, the difference, and the unexpected. And to be such a person typically requires the ability to 'see things' in a certain way. In fact, I would argue that the Agritest *Real Leaders* consistently showed an ability to see things both inclusively and expansively. In other words, being a leader amounts to possessing what I call an *inclusive-expansive* mindset.[136]

To possess an inclusive-expansive mindset is to be someone with high levels of empathy, to have the ability to 'put yourself in the other person's shoes'. To possess it means to be someone who typically is willing to 'include' rather than exclude others as a primary response, especially those who are different from the subjectively determined norm. At a fairly basic level, this means an ability to dispense with arrogant, self-indulgent delusions of grandeur. (Not one of the PhD level scientists at Agritest made it into the ranks of *Real Leaders*. A key reason was their perceived unwillingness to identify with - in some cases, even associate with - any staff member other than those holding similar qualifications.[137]) To possess an inclusive mindset is to be demonstrably willing to give others, as one's primary response, the benefit of

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[136] In making this point, I am working from both intuitive and informed perspectives. Intuitively, most people would readily accept that how we see things is determined by our underlying mindsets (worldviews, assumptive models, weltanschauungen, are alternative words used). But, for a theoretical vindication of this point, from an educational psychology perspective, see Jack Mezirow, Transformative Dimensions of Adult Learning, (San Francisco, CA: Jossey-Bass Publishers, 1991), pp. 37-63.

[137] Members of this group typically take their morning break together at a trendy local coffee-house, even though there is an on-site canteen that everybody else is expected to use.

the doubt. To possess it means an ability and willingness to suspend judgement and not jump to hasty conclusions. (For instance, one *Waste of Space* manager at Agritest was known to summarily dismiss any job applications from Queenslanders, on the basis that "they're all lazy bastards up there".) To possess an inclusive mindset is to be able to see possibility where others see limitation. [138]

Part of the effectiveness of those holding the inclusive-expansive mindset is associated with the complementary nature of their good qualities, or virtues. For instance, while it is easy for some individuals to be naturally assertive and forthright, and for others to be by nature empathetic and caring, it takes a special sort of individual to be capable of consistently demonstrating both in tandem. Some managers find it easy to detach from emotional engagement and to offer a highly objective and cool-header analysis of the 'facts'. Others, in contrast, can immediately appreciate the psychological forces at play in a dispute and leverage this insight to de-escalate an otherwise emotionally explosive situation. Again, it is much less common to find the manager who can combine an appropriate degree of detached cool-headedness with adequate psychological sensitivity, plus a propensity to act in a balanced manner. But these are the sorts of qualities that characterise the kind of person others are willing to follow.

The claim, assuming it is reasonable, that to be considered a leader is to be someone who consistently demonstrates the ability to see things in an inclusive-expansive way, and then to act on accordingly, is a far-reaching one

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Moreover, it was unheard of during my period at Agritest for anyone outside this group to be invited to join it on such occasions.

[138] In an interview with journalist Polly LaBarre, management specialist Peter Koestenbaum talks about the importance to leadership of the capacity for *spaciousness*. He views this as the ability to have ample room for the ambiguities of the world, for conflicting feelings, for contradictory ideas. His use of this term is not dissimilar to my idea of the inclusive-

for my overall argument. As this argument requires arriving at a defensible position on what it means to possess ethical sensibility, then the inclusive-expansive thesis must be accommodated within it.

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expansive mindset. See, Polly LaBarre, *Have You the Will to Lead?* in Fast Company, edition of 30 November, 2000.

Chapter 4

Unravelling the Ethical Intricacies

4.1 Introduction

4.11 Key tasks

The reader will recall from Chapter 1 that my primary concern in this essay is describing how to design and implement a programme to elevate the levels of ethical sensibility among the ranks of Australian managerial leaders. In the intervening chapters I have explored the nature of leadership through a variety of lenses. In discovering that much of what the traditional O&M literature has to say on the topic is only marginally useful to my overall argument, I was forced to employ a humanities-centred enquiry process to bring the topic into clearer conceptual focus. This enabled me to arrive at the conclusion, at the end of Chapter 3, that leadership is perhaps best understood as a form of 'mindset'. It is now time to deal with the question of what is meant by ethical sensibility in light of such a characterisation. More specifically, what should we take it to mean, in contemporary Australia, for an organisational manager to possess and/or display appropriate ethical sensibility in discharging the leadership component of the role.[139] In working towards this end, I will keep in mind an important secondary assignment, namely, attempting to gain some preliminary insights into the relevant developmental implications.

[139] I remind the reader of the description provided in §1.12 (Chapter 1) showing the classical breakdown of managerial work into the four domains of planning, organising, coordinating, and leading. And the fact that it is only the last of these in which we are here interested.

4.12 *The prima facie* complexity of the ethical domain

The account offered in the previous two chapters provides strong suggestive evidence supporting the claim that managerial leadership is a highly complex notion when viewed from the perspective of its ethical implications. Even more compelling is the evidentiary support available in the growing, if as yet inchoate, literature on leadership ethics. One way of attempting to draw together the disparate pieces in the puzzle is to examine the competency structure of managerial leadership.

By 'competency structure' I mean the collective of individual competencies that constitute actual leadership work. Towards this end, I bring to the reader's attention one such profile developed at Agritest, the outcome of one specific component of the overall investigative process.[140] This model holds that the effective practice of leadership can be encapsulated within a six-component structure, as follows:

There are five identifiable application competencies:

- Providing focus and direction
- Building effective teams
- Facilitating individual and group motivation
- Leading the process of change
- Handling conflictual situations

Each of these is in turn underpinned by the core competency of:

- Effective interpersonal negotiation

Given the conceptual complexity associated with leadership *per se*, it is hardly surprising that a corresponding amount of complexity might be expected in the leadership ethics literature. In fact, it throws up a confusing array of disparate variables, among them questions of duty, obligation, trust-building,

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[140] The background to and constitution of this model will be described in detail in Chapter 5.

trustworthiness, virtue, vice, charisma, the common good, power, motivation, emotion, role modelling[141], to name but some. In fact, I believe that an important *caveat* needs to be drawn to the attention of the unsuspecting student exploring this literature for the first time. It derives not so much from the sheer miscellany of variables involved, and their disparateness. Rather, it has to do with the fact that many of them are conceptually problematical in their own right. By this I mean that in tackling them, presumably in the hope of clarifying one's understanding of the ethics of leadership, one often ends up with the waters somewhat muddied. Examining the roles respectively of charisma, power, and human emotion can have this effect. Let me expand briefly on the three concepts in support this claim.

4.121 Charisma

It is virtually impossible to find an O&M account of leadership that does not attempt to convince the reader of the importance of charisma as a quality needed for its effective practice. For instance, much of the discourse in respect of the "great man" theory tends to rely heavily on the fact that such outstanding individuals have or had 'charisma'. Discussions of Churchill, Napoleon, even Hitler, often follow this pattern. In the contemporary context, arguments about Bill Clinton's leadership qualities often get reduced to discussions about his charisma.

While I do not doubt the existence of charisma as a quality possessed by some individuals, I retain serious reservations concerning its relevance to a discussion of leadership, not to mention the ethics of leadership practice. To illustrate the nature of this reservation, let me draw attention to the notion of 'celebrity status'.

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[141] Gini refers to this as "the witness of another", in language perhaps a little in line with the philosophical vernacular. See Al Gini, *Moral Leadership and Business Ethics,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport: Praeger Publishers, 1998), pp. 27-46.

To have 'celebrity status' means, when you reflect on it, little more than being famous on account of being famous. It seems like a good thing to possess, but its foundations are conceptually slippery. Indeed, to have celebrity status suggests nothing about the moral status of the individual. It certainly is not a quality that one can unreservedly associate with people of high moral principles. In fact, some murderers, rapists, and corrupt government and industry figures acquire the status. It might be said, in consequence, that 'celebrity status' is a morally vacuous notion.

This short account of the way I perceive the concept of celebrity status can be thought of as reflecting my views on charisma. While the concepts are not related *per se*, I believe they both share the characteristic of being vacuous, certainly in respect of ethical discourse. Leaving aside the question of whether or not charisma is relevant to a discussion of leadership ethics (which I clearly think it is not), I would claim that it says little or nothing about an moral make-up of an individual agent, under any circumstances. Nevertheless, as mentioned, it often comes up in texts on leadership analysis. As such, I claim, it serves only to 'muddy the waters' for those in search of conceptual clarity.[142] Moreover, as we have seen, professional philosophers with an interest in managerial leadership, all see it as a morally laden enterprise, involving, as it does, the need for consideration of the reasons why one person freely chooses to follow the example of another.[143]

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[142] I am not alone on this matter. Solomon, too, wishes to have no truck with it in the leadership context, likewise considering it to be a morally vacuous notion. See, Robert Solomon, *Ethical Leadership, Emotion, and Trust: Beyond* "Charisma", in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership*, (Westport, CT; Praeger Publishers, 1998). In particular, see pp. 94-98.

[143] Let me remind the reader that Ciulla sees leadership in the following terms: "Leadership is not a person or a position. It is a complex moral relationship between people, based on trust, obligation, commitment, emotion, and a shared vision of the good." Ciulla in her own Introduction to Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership*, (Westport, CT; Praeger Publishers, 1998), p. xv. Another philosopher, Al Gini, sees it as follows: "Leadership is a power- and value-laden relationship between leaders and followers/constituents who intend real changes that reflect their mutual purposes and

4.122 Power

Another individual concept in leadership ethics that has significant inherent complexity is power, and the use/abuse thereof. Gini is one philosopher who grapples with this topic, arguing: "All forms of leadership must make use of power. The central issue of power in leadership is not, Will it be used? but rather Will it be used wisely and well."[144] This latter question is sufficient, on its own, to keep a bevy of philosophers busy with subsidiary problematic questions to do with the nature of what constitutes and wise and good use of power. The word power comes from the Latin, *posse.* Among its meanings are the capacities to influence, to change, to effect, to bring about. Leaders, as we have seen, clearly do all of these. But it is the manner in which they achieve their desired outcomes and effects, through others, that give rise to contentious issues.

Straight-out malevolent dictatorial leadership is the least of concerns for the ethicist in this regard. The ethical question is here quite simple. To use personal or positional power, in a dictatorially malevolent way, is never going to be ethically defensible. The complexity arises, as it often does in organisational settings, when such power is wielded in subtle or camouflaged ways. For instance, the manager who drops a hint to his female subordinate that her propensity for career advancement will be influenced by the degree of her willingness to perform sexual favours, is guilty of such a moral indiscretion. Another example of questionably ethical power dynamics involves what Ciulla calls "bogus empowerment".[145]

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goals." See, Al Gini, *Moral Leadership and Business Ethics,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* Westport, CT; Praeger Publishers, 1998, pp. 34-35.

[144] Ibid., p. 38.

[145] Joanne B. Ciulla, *Leadership and the Problem of Bogus Empowerment,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport: Praeger Publishers, 1998), pp. 63-86.

One version of this, not uncommon in Australia during the 1990s, involves senior-level 'leadership' rhetoric as follows: "This organisation considers people to be its first and most important asset. As such, we value and respect the individual capacity for creativity and innovative thinking. We want each of you to use that capacity to shape the future of our organisation." Meanwhile, back in the world of actual day-to-day management practice, what one sees is an altogether different picture. Instead of managers actively leading by example in respect of the 'empowerment' of individual subordinates, they act instead to restrain, or at least discourage, individual innovativeness. At the end of the day, not all empowerment programmes are either instigated or directed by managers with bogus or malevolent intent. But, as Ciulla points out, in order for this not to happen, those managers must be "... sincere and authentic". I will discuss the nature of these qualities further in Chapter 5.

4.123 Emotion

According to Wilson (2001), the topic of human emotion sits side by side with consciousness as one of the most impenetrable and controversial topics considered within both philosophical and psychological enquiry.[146] It continues to resist efforts to secure any form of unified theoretical framework, and remains largely refractory to attempts to arrive at the ultimate definition. One reason for this resides in the fundamental mind-body dichotomy that continues to bedevil much of the discourse in the disciplines of both psychology and philosophy. In consequence, there are theories that broadly derive from the evolutionary trajectory comprising animal-past to human-present, emphasising a necessary physical basis for emotions. In contrast, there are theories that disclaim any such continuity, suggesting, in consequence, that emotions should be grounded within cognitive rather than physical structures.

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[146] Bruce Wilson, *Emotional Experience.* Unpublished Masters Dissertation, University of Tasmania, 2000.

An especially interesting manifestation of this duality can be seen in the Western philosophical tradition. There are philosophers, on the one hand, who view emotions as no more than disruptive or destructive forces that invade our lives, serving no other purpose than that of compromising and inhibiting our attempts to be the purely rational agents we are supposed to be. In contrast, there are others, from Aristotle in ancient Greece to Solomon in contemporary North America, who take the view that emotions enrich our lives, psychologically and morally. They argue that behavioural responses resulting from the engagement of both heart and head – from the interplay of emotion and cognition - tend to prove optimal in most situations.

By and large, it can be said that there are two generic contexts within which the term e*motion* is used in the contemporary anglophone world. The first is as an all-encompassing designation that covers any of a number of subjectively experienced inner states. These may be felt as pleasant or unpleasant, good or bad, desirable or undesirable; but all are subjective, with an ontological status governed by nothing more systematic than some sort of cultural consensus. This is the context within which I might say that I am feeling sad, lonely, angry, disgusted, excited, joyful, and so forth. The second covers the various streams of scientific enquiry that seek out physiological, cognitive, anthropological, or environmental bases for the subjective uses employed in the former context. Of the two, it is the latter that causes most confusion. Each definition seems to come in the form of a mini-theory, and the plethora of resultant positions seems to offer precious little theoretical converge. Notwithstanding this, it is possible to suggest that theoretical investigations by and large revolve around four factor sets: (a) instigating stimulus; (b) psycho-physiological correlation; (c) cognitive assessment; and (d) motivational force.

In order for an emotion to occur, there needs to be an *instigating stimulus*. This can fall under one of two generic categories. An exogenous or external stimulus represents a circumstance, event or occurrence that happens outside oneself. The individual then interprets and attributes a meaning to the event, which determines a resultant "feeling" accompanied by a range of physiological changes. The latter in turn act as an impulse to action. Thus, as I walk along a bush track during an Australian summer, the sudden appearance of a snake in my path initiates the following response. I interpret its presence as a threat to my physical safety. I become agitated, start sweating and hyperventilating, and experience sudden palpitations (accompanied by an elevation of blood pressure). Then, dependent on whether fear promotes a phobic (flight) or counter-phobic (fight) impulse, I either run away or grab the nearest stick to beat the reptile away. In contrast, an endogenous stimulus comes from within in the form of a thought sequence, a memory recall, or an episode of imaginative speculation. Thus, what starts out as a simple reverie about an event that occurred during a holiday to Copenhagen in 1974, turns into the onset of deep sadness when I recall that on returning home my mother unexpectedly passed away. The more I allow myself to dwell on this latter recollection and to re-create my feelings at the time, the more intense will be the emotional experience. (By and large it is fair to say that most people enjoy feeling pleasant emotions such as contentment, joy, optimism, but often try to avoid others like loneliness, worry, and grief.)

The physical symptoms described in the above example constitute one expression of the meaning and relevance of so-called *psycho-physiological correlation* in emotional response. As Porges points out, psycho-physiologists see themselves as systematic investigators of mind-body relations.[147] In the context of emotionality they concentrate their attention on two generic

categories of reaction that occur in response to the instigating stimulus. The first involves what might be termed the macro perspective, involving systems-level investigation of reactions occurring within and between the central nervous system and the autonomic nervous system. Falling under this category are those reactions that tend to be readily identifiable by the subject experiencing the emotion, and indeed by those observing the subject in the throes of that reaction. For instance, were you to observe me encountering the snake, you would readily notice obvious signs of agitation, including the sweated brow, fearful facial look, involuntary regressive movement, and so forth. The second reaction category involves the micro perspective. Here they focus on minute intra-brain activity not revealed via any outward signs. Interactions stimulated between the thalamus and hypothalamus constitute an example of this type. It is perhaps noteworthy that the psycho-physiological dimension in the study of emotion, on account of its greater susceptibility to empirical scientific investigation, may appear less contentious than others highlighted here. Not so, according to Wilson, who provides ample evidence to suggest that there is at least as much divergence of opinion within this sub-community of specialists.

The *cognitive assessment* component considers a range factors that affect the subjective nature of emotional responsiveness. High on the list is recognition of the fact that one's interpretation of a given situation will determine, to a significant degree, the specific emotions aroused and the extent of their potency. Thus, if confronted by precisely the same snake in a glass cage at the Reptile House of Melbourne Zoo, my emotional response will be altogether different from that experienced on the walking track.

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[147] S. W. Porges, *Orienting in a Defensive World: Mammalian Modifications of our Evolutionary Heritage; A Polyvagal Theory,* Psychophysiology, 32, 1995, pp. 301-317.

The fourth and final dimension identified here relates to the *motivational force* implicit in the notion of emotion. That an emotion can motivate action is an entirely intuitive proposition requiring little theoretical justification. The onset of acute anger generally manifests as an act of speech, of retaliation, of physical attack, and so forth. The intuitive connection can, however, be theoretically grounded by simply noting the Latin derivation of the word emotion. It comes from *emovere*, which translates as to move, to excite, to stir up, or to agitate.[148] Thus, the onset of an emotion, particularly a potent one, typically has the effect of stimulating or motivating responsive action.

4.124 Concluding comments

In this section I have attempted to show that the ethical domain of managerial leadership is a complex field of enquiry, even when the nature of managerial leadership *per se* is quite narrowly and carefully circumscribed. This was done by drawing attention to just three of the many individual variables involved in the overall intricate matrix of interacting forces. Complex as the picture appears to be at this juncture, it becomes even more so with the juxtaposing of these individual factors on to the leadership competency structure shown in Figure 4.1 above. This leads one to conclude that, for practical purposes, it is important to find a way of making the overall picture less complex and impenetrable, as movement is made towards formulating a definitive conceptualisation of what is meant by ethical sensibility.

Before tackling this via the identification of a suitable unifying theme, there is one further introductory task that needs to be undertaken, that of pointing out the difference between simple and difficult moral choices.

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[148] A supporting account of the Latin root can be found in Arthur S. Reber, *The Penguin Dictionary of Psychology*, (London: Penguin Books, 1985), p. 234.

4.13 Focus on difficult ethical discriminations

I have made it clear already in this chapter that I in restricting myself to leadership practice, I am consciously excluding from consideration any attention to the ethical intricacies of the other three components of management work: planning, organising, and coordinating. I wish to narrow my focus further by eliminating from consideration all those cases where the ethical judgements that have to be made are simple and straightforward in nature.

To illustrate what I mean, consider the case of the chief executive officer (CEO) of a chemical research corporation that operates in the field of biological agents. It is a leadership task to ensure that the corporation has a suitable strategic vision. Suppose the CEO were to articulate it as that of doubling revenues and earnings, within a two-year period, by tapping into lucrative opportunities associated with the sale of biological warfare capabilities to international terrorist organisations. Few would argue with the claim that such a vision is deeply flawed from a moral perspective. It should not require a great deal of consideration on the part of the CEO to arrive at such a conclusion. As Kekes points out, in such a case, the average person can reliably depend on nothing stronger than his or her moral intuitions.[149]

But what of a less clear-cut situation? Take the case of the respective CEOs of two construction corporations, each about to articulate a corporate vision around opportunities associated with major humanitarian-agency funding for the building of hospitals in third-world countries. CEO #1 nominates his vision in the following terms: "Let's get in, build the assets as quickly and efficiently as possible, so we can get out of these hell-holes in double-quick

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[149] He makes this point during a discussion of the difference between simple and complex moral discriminations. I will return to consider Kekes' work in greater detail in Chapters 6 and 7. His conception of what constitutes complex moral choice is especially relevant in a world of fast-paced change. See, John Kekes, *Moral Wisdom and Good Lives*, (Ithaca, NY: Cornell University Press, 1995).

time, with as large a profit margin as possible." In contrast, CEO #2 nominates her position as this: "My vision is for each of us to feel that we've left behind an enduring legacy of our individual efforts, which in turn are the result of the special knowledge and skills we are fortunate to possess. Indeed, my further hope is for that legacy to be by way of well-constructed hospitals that contribute to improving health-care standards for these underprivileged people."

It is instructive to examine the difference between the two statements in terms of ethical implication. I believe most observers would be drawn to conclude intuitively that the second option represents the more ethical or ethical-sounding choice. But it is not quite so clear-cut when tackled from the perspective of what the Western philosophical tradition has to say. Within this tradition, there has always been a divergence of scholarly opinion as to the nature and scope of the ethical domain. (Some say that the territory can justifiably be characterised as a hot-potch of disagreement.[150]) By way of introduction, and for purposes of expediting closure on the current stage of the argument, let us consider just three broad categories of ethical construction readily identifiable within Western philosophy.

The first is a school of thought, associated most famously with Immanuel Kant, which holds that the morality of an action is not determined by its outcomes or consequences, but instead by the intentions behind it. More specifically, Kant argued, the morally appropriate intention is that of doing one's duty. A choice or action is adjudged ethical, therefore, if done from the perspective of wanting to do one's duty or fulfil one's legitimate obligations. Viewed from this perspective, it is unclear if choice #2 is, in fact, more ethically defensible than #1. While #1 has a harsh ring to it, there is no evidence to

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[150] See, for instance, the first chapter in Alasdair MacIntyre, *After Virtue. (2nd Edition)*, (Notre Dame, IN: University of Notre Dame Press, 1984).

suggest that the CEO in question had any intention other than that of fulfilling the company's duty by way of its contractual obligations.

Nevertheless, we suspect, from the words used, that the CEO's vision constitutes and ethically questionable choice. The reason lies in an important distinction intended by Kant. This draws attention to the fact that an agent may act in a manner that is outwardly in conformance with his duty, but nevertheless done from a camouflaged position of self-interest. Thus, CEO #1 really is only interested in making as much profit as quickly as possible, not in ensuring his company fulfils its contractual duties and obligations. He is, arguably, acting more from a sense of commercial or personal prudence than that of duty.[151] But we cannot be sure of this.

Contrast this with the position suggesting that the ethical course of action is the one delivering the best package of beneficial outcomes for the most number of people. (The various forms of utilitarianism, associated with such figures as Jeremy Bentham and John Stuart Mill fall into this category.) Leaving aside the obvious vexations associated with trying to agree on (a) the nature of what constitutes a 'beneficial outcome', (b) what constitutes 'best', and (c) how to assess the number of affected beneficiaries, the basic question of what constitutes the more ethical option is, in this instance, just as controversial as with the Kantian model. There is no obvious reason why #2 generates more overall utility than #1.

Now, let us contrast the above two ethical models with a third. This holds that the most defensible course of action is the one demonstrating or implying the greatest expression of personal virtue, a position perhaps most

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[151] For a helpful discussion of this aspect of Kant's views on morality, see Roger Scruton's discussion in Roger Scruton, *Kant*, (Oxford, UK: Oxford University Press, 1982).

famously associated with Aristotle and other Greeks of the same period.[152] The bothersome question of precisely what constitutes the nature of personal virtue notwithstanding[153], it is only on applying this model to the two options under review that we can say, with some confidence, that #2 appears preferable to #1, on the basis of something other than purely intuitive grounds.

It is to this latter type of case, where the question of what constitutes the most ethically appropriate leadership response is a complex, difficult, or challenging one, that I now wish to restrict myself.

4.14 Towards a unifying theme

In order to arrive at a plausible interpretation of ethical sensibility for managerial leadership purposes, I believe it is necessary to come to terms with the complexities described above. Failing to do so will likely cause the entire project of attempting to foster such sensibility, in the real-world context, to be transferred to the 'too hard basket'. (The reasons for this will become abundantly clear when we encounter the *'hard-nosed decision-maker'* later in the chapter – see §4.4.)

Of the various themes associated with the notion of leadership ethics, one stands out as especially noteworthy for my purposes, namely, trust. As part of the explanation for this choice, I begin by drawing attention to the work of German sociologist, Niklas Luhmann. Of particular interest to my enquiry is a discussion he undertakes in *Trust and Power*. Specifically, it relates to his claim that trust, in its broadest interpretation as confidence in one's expectations, is a "basic fact of social life". What he means by this can be summarised in the following way. We each exercise a certain amount of judicious discretion in respect of decisions regarding on whom we decide to bestow our trust, and to what degree. He argues, however, that it would be inconceivable to live a

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[152] See, for instance, Julia Annas, *The Morality of Happiness*, (New York: Oxford University Press, 1993).

normal human life in the absence of any capacity for giving trust. As he puts it, "... a complete absence of trust would prevent [him] even from getting up in the morning. [He] would be prey to a vague sense of dread, to paralysing fears."[154] He goes on to say that such a condition would in fact preclude the possibility of being rationally distrustful, since any propensity for the latter would, by definition, assume a capacity to trust at least someone, sometime, which, by definition, has been discounted. On the basis of these foundational commitments, Luhmann goes on to argue that what he calls the "necessity of trust" can be taken as the correct and appropriate point of departure for the derivation of rules for proper conduct, for ethical maxims based on natural laws. While this is by no means an uncontroversial platform, it does serve the useful purpose of introducing a discussion as to the moral nature of trust. But as mentioned, Luhmann is primarily a sociologist. So, for my purposes, it is necessary to turn elsewhere to ensure validation for my choice.

Given that moral philosophers have always been interested in cooperation between people, it is surprising, according to Baier, that they have paid so little attention to trust. She argues that neither Plato, in his conception of the philosopher king, nor Aristotle in his of the wise man, seem to place much importance on the degree to which either ideal personage is virtuously trustworthy. Nevertheless, she herself goes to make explicit the moral basis of trust, thus endorsing its legitimacy for inclusion in my current argument.[155] She positions trust, not as a pre-requisite or necessary foundation for morality and a moral life, but rather as the epitome or culmination thereof. In other

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[153] This topic will be taken up in greater detail in Chapter 6.

[154] Niklas Luhmann, *Trust and Power,* translated by Howard Davis, John Raffian, and Kathryn Rooney, (New York, John Wiley and Sons, 1979).

[155] Annette Baier, *Trust and Antitrust,* in John Deigh (ed.), *Ethics and Personality: Essays in Moral Psychology,* (Chicago: University of Chicago Press, 1992), pp. 11-40.

words, for Baier, trust is essentially a moral notion because to become moral means to become trusting and trustworthy.[156]

A further source of relevant support for my decision to endow trust with a central role in a platform of ethical development can be found in Bok. She considers trust to be the essential component of any moral psychological environment conducive to human interests. As she puts it: "Whatever matters to human beings, trust is the atmosphere in which it thrives."[157]

Having addressed the issue of there being an adequate moral foundation to trust, I now offer three specific reasons for selecting it as a suitable unifying there for an effective ethics of leadership. To begin with, I was in a position to observe, at first hand, its pivotal role at Agritest. As the reader will recall, the existence of trust in the relationship between manager and subordinate was a principal determining factor in the latter being designated a *Real Leader* as opposed to merely an *OK Boss*.

Then there is its prevalence as a theme in the literature, together with a number of hints as to its axial importance. Ciulla, for instance, offers two relevant examples, saying: (a) "A good way to learn about leadership is to examine how leaders give and get trust." And (b) "Trust has taken over from authority as the modern foundation of leadership."[158] Another philosopher with an interest in the ethics of leadership, Robert Solomon, sees it as fundamental to all interpersonal relations and as the "emotional core" of the

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[156] Baier builds her position on that of Kolnai, who says: "Trust in the world, unless it is vitiated by hairbrained optimism and dangerous responsibility, may be looked upon not to be sure as the very starting point and very basis but perhaps as the epitome and culmination of morality." See, Annette Baier, *Trust and Antitrust,* in John Deigh (ed.), *Ethics and Personality: Essays in Moral Psychology,* (Chicago: University of Chicago Press, 1992), pp. 11-40.

[157] Sissela Bok, *Lying: Moral Choice in Public and Private Life,* (New York, NY: Pantheon Books, 1978).

[158] Joanne B. Ciulla, *Introduction,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport, CT: Praeger, 1998), p. xvii.

leader-follower relationship.[159] Bowie lends further weight, adding: "Management theorists have discovered trust. At the 1996 annual meeting of the Academy of Management, I believe there were more papers on this topic than any other - and most of those papers were not in sessions sponsored by the Social Issues in Management Division (where most business ethicists reside), but rather in mainstream sessions on strategy and organizational behavior.[160]

This fits with my own experiences in Australian consulting circles. Trust has become a 'hot topic'. But, to borrow Ciulla's phrase, members of the Australian business community (consultants, practitioners, management scholars, and so forth) quickly run out of steam when discussion extends beyond facile exhortations about either the importance of trust or the critical need to build more of it. Indeed, it is noteworthy that the only authority on trust regularly quoted on the local scene is Francis Fukuyama. The problem with this, as I will show later in the chapter, is that his account falls well short of what is required for serious philosophical enquiry into the role of trust in the in an effective ethics of leadership.[161]

A final reason for nominating trust for pivotal consideration relates to the fact that, as we shall see later in the chapter, the particular interpretation I argue for is one that allows for the relationship between trust and other relevant variables to be appropriately articulated. Chief among these are power, charisma, and emotion, each of which, as I mentioned above, are

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[159] Robert C. Solomon, *Ethical Leadership, Emotion, and Trust: Beyond* "Charisma", in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport, CT; Praeger Publishers, 1998). See, in particular, pp. 98-104.

[160] Norman E. Bowie, *Business Ethics: A Kantian Perspective,* (Malden, MA; Blackwell Publishers, 1999), p.30.

[161] Notwithstanding this reservation, some aspects of Fukuyama's interpretation will be leveraged to good effect later in my overall argument. For a summary account of Fukuyama's thesis on trust, as it applies to this essay, see §4.23 following.

among those topics that contribute to the complexity associated with the ethical domain of leadership.

Before proceeding, let me draw attention to one further observation by Ciulla. She argues that a better appreciation of the nature of ethics and the ethical will tend, in turn, to engender a better understanding of the concept of leadership. As she puts it: "Leadership scholars know quite a bit about the psychology of leadership but very little about the moral implications of the relationships associated with leadership." She backs this up by presenting leadership as "... a complex moral relationship between people, based on trust, obligation, commitment, emotion, and a shared vision of the good."[162] In this chapter I wish to go one stage further, arguing that trust lies at the heart of not only a deeper understanding of leadership, but ultimately at the heart of its effective practice.

It s true to say that the traditional O&M literature on leadership *per se* has not always paid a great deal of explicit attention to the centrality of trust.[163] It is nonetheless reasonable to suggest that it is considered an implicit component of effective leadership in most plausible leadership theories, notably those designated earlier as falling into the *systemic* category. Thus, for instance, the ability of the leader to contribute to the fostering of trust is a tacit, if not explicit, feature of servant-leadership and transforming leadership.[164] The suggestive evidence thus points to the need for a more thorough investigation of the topic, and it is to this task that I now turn.

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[162] Joanne B. Ciulla, *Introduction,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport, CT: Praeger, 1998), p. xv.

[163] The reader will recall that in the accounts given in Chapter 2 of the various 'reductionist' theories of leadership, trust-building and trustworthiness were indeed mentioned, but only as individual items included in lists of representative traits or behaviours.

[164] The concepts of 'systemic' leadership theories in general, and the particular characteristics of the servant-leadership and transforming models, were all discussed in Chapter 2.

There are certain topics that can cause problems for the inexperienced research student on account of possessing one or both of two specific characteristics. The first relates to what may be termed their pan-disciplinary presence in the literature, and the second the maintaining of what I call a certain kind of seductive appeal. In tackling such topics, the student is apt to end up with a great deal of intellectual satisfaction, but also a raft of logistical problems in the form of too much information to be assimilated, too much time consumed, general heuristic overkill, et cetera). Trust is one such topic. It has been the subject of much investigation in the social sciences as well as the humanities. It pops up as a regular topic of enquiry for social psychologists, developmental psychologists, ethical philosophers, classicists, management theorists, sociologists, anthropologists, and no doubt others with whose work I am unfamiliar. And it possesses a great deal of inherent intellectual appeal.

While the capacity to recognise trust in this light, and thus to anticipate the potential hazards, in itself goes a long way towards obviating them, they can be further side-stepped by commencing one's analysis with a clear and unambiguous agenda in mind. For my purposes, this is accomplished via the up-front articulation of two specific aims. The first is to present an account of trust that validates its selection for the pivotal role I am affording it. The second is to present the account in a manner that enhances readers' understanding of the role trust plays in an adequate ethics of leadership.

4.2 Trust

4.21 Introduction

In this section I explore the nature of trust by conducting three overall tasks. As it is a widely used word in everyday conversation, and especially as it has become somewhat of a 'buzzword' in the Australian corporate vernacular, I begin, in §4.22, by looking at everyday use of the term. I then proceed, in

§4.23 and §4.24 respectively, to describe the current theories by (a) Fukuyama, and (b) Solomon and Flores.

4.22 Trust in vernacular usage

Following a method favoured by Wittgenstein, I commence this analysis of trust by examining some of the ways in which the word 'trust' is used in common speech. Doing this serves two useful purposes. It assists in organising one's thinking in respect of coming to terms with a complex topic, and it throws up a range of issues that require some reflective consideration in order to achieve satisfactory understanding. There are many ways in which the word trust gets used in the everyday anglophone vernacular, some of which are clearly more relevant to the present argument than others.[165] Let us examine some of the more important of these.

4.221 Trust as *entrusting*

Consider the statement: "I have complete trust in Allah." This amounts to what is primarily an expression of faith, representing not only belief in the Islamic deity, but perhaps a wider acceptance of the existence of gods of individual preference. A related expression comes in the form of: "We have to trust the Pope's ability to make the right decisions because he is, after all, Christ's vicar on earth." In this statement we have the proffered affirmation of a church leader's trustworthiness that is underwritten by a certain respect for role or title, and appeal to tradition – what Giddens has called the "formulaic notion of truth".[166] This form of trust is generally experienced as a robust and tenaciously guarded emotional condition. It is important to recognise, however, that trust of this sort need not be rational, in the sense that supportive

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[165] I discount, for present purposes, use of the word in a technical context, where such terms as *trust companies* or *trust deeds* have specific meanings in professions like law and accounting.

[166] Anthony Giddens, as quoted in Miles Little and Michael Fearnside, *On Trust*, Occasional paper. (Sydney, NSW: The Centre for Values, Ethics and the Law in Medicine, Department of Surgery, University of Sydney, 1997).

empirical proof may be neither available nor deemed necessary. Baier points out that this interpretation of trust rose to philosophical prominence with Aquinas and other Christian moralists during the Middle Ages.[167] (Indeed, there is an opposite side to the coin, suggested by the statement: "You know, I just don't trust politicians." This suggests, by dint of what Little and Fearnside would call its "perlocutionary force", a certain ideological basis that is just as lacking in rational grounding as the previously mentioned trust in the Pope's ability to make right decisions.[168]

Consider another statement: "As Americans, we feel we can trust President Bush to defend our homeland." Topical at the time of writing, the implication here is that Americans subscribing to this view have a certain kind of *confidence* in their President. Indeed, the statement suggests that President Bush can, with some high degree of predictability, be relied upon to take whatever actions are necessary to ensure the country is adequately defended. Moreover, he is being invested, albeit tacitly, with certain discreet virtues, for instance courage, reliability, stamina, and righteousness.

A similar type of meaning can be seen in the following statement: "I am more than happy to trust myself to the care of Dr. John Smith, our family physician." Implicit in this is my confidence in him, or perhaps more correctly, in his professional acumen, where certain specific qualities or valued goods will be subsumed under the heading 'professional acumen'.[169] Examples would include such factors as his clinical competence, his network of appropriate referral contacts, a solid reputation in the locality, an affable bedside manner,

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[167] Annette Baier, *Trust and Antitrust,* in John Deigh (ed.), *Ethics and Personality: Essays in Moral Psychology,* (Chicago: University of Chicago Press, 1992), p. 13.

[168] Miles Little and Michael Fearnside, *On Trust.* Occasional paper, (Sydney, NSW: The Centre for Values, Ethics and the Law in Medicine, Department of Surgery, University of Sydney, 1997).

[169] Note that this distinction, between trusting a person qua person, and trusting in his or her professional expertise, is an important one to which I will return later in the chapter.

his ability to put patients at ease, and so forth. This particular interpretation of trust derives, according to Baier, from the Socratic dictum that no person is ultimately self-sufficient. We depend on others for certain valued goods, whatever they might be. In this case, I am expressing my allegiance to Dr. Smith on account of his capacity to provide valued goods outside my own scope to administer to myself. Baier designates this type of trust as belonging to the "three-part predicate" variety: A trusts B with valued thing C.[170]

From my perspective, each of the above examples of use of the word 'trust' can be placed into the category of entrusting one's own welfare or wellbeing to another. Whether the principal motivation for that willingness resides in the trusted individuals per se, or in their capacities or acumen, the fact is that other persons have chosen to entrust themselves to their care.

4.222 Trust and character

In the previous examples there was, *inter alia*, an implied attribution of virtue to the trusted person. President Bush was seen as reliable, courageous, determined; Allah as merciful; Dr Smith as competent, sincere, caring, and so forth. This brings to mind a further type of colloquial usage, albeit one in which the constituent virtues are less easy to identify, because the insinuation is more holistic in nature. Consider the assertion: "I would trust Mary with anything." This clearly implies something more than the preceding expressions of trust. It, in effect, declares that Mary is to be respected on account of possessing a virtuous disposition or character.[171]

A related way in which the word is employed is one in which the relevant declarations contain an element of qualification. Consider the following

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[170] Annette Baier, *Trust and Antitrust,* in John Deigh (ed.), *Ethics and Personality: Essays in Moral Psychology,* (Chicago: University of Chicago Press, 1992), pp. 11-40.

[171] This should be reminiscent of the point discussed earlier in the chapter concerning the virtue-based platform of Aristotelian ethics. This is a topic I will take up in greater detail in Chapters 6 and 7.

statement: "My new boss seems like an OK guy and certainly knows what he's talking about technically. However, while I trust him technically, I don't quite trust *him*, if you know what I mean." This should alert the reader to the need to take care to distinguish between having confidence in a person's abilities, and otherwise trusting her as a person. It also hints at a further insight, namely, that the presence or absence of trust are not absolute and mutually exclusive conditions. Instead, affirmations of trust or distrust are scalar. Trust has magnitude without having direction and, as such, can be qualified or measured by adding adverbs and adjectives. "I sort of trust him", "I'm not sure we can altogether trust last month's sales results", are examples of what I mean by this.[172]

One final example of colloquial usage, in which the relation between trust and character is clearly evident, can be seen in the following statement: "Bill Clinton was an effective President, a charming fellow, and basically a decent and compassionate human being, but I wouldn't trust him with my daughter." What we have here is an indication of some grounds for concern against a general backdrop of favourable impressions. More specifically, the implication is that while I trust Clinton in some respects – for example, in respect of his ability to manage the economy, to feel suitably compassionate towards the poor, and so forth – I have reservations about his commitment to marital fidelity. This hints at the possibility of some sort of foundational deficiency in his make-up that prevents one from fully trusting the man, what is commonly referred to as a 'character defect'. I will return to this point later in the chapter. In the meantime, I will draw attention to one further example of where character intersects with trust, this time with the notion of truth-telling also involved.

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[172] The 'scalar' nature of trust is discussed by Solomon and Flores in Robert C. Solomon and Fernando Flores., *Building Trust in Business, Politics, Relationships, and Life,* (New York: Oxford University Press, 2001).

Consider the following attempt by a corporate executive to 'sell' a subordinate on the benefits of transferring to a new location: "Joe, Melbourne is a great city and the entire move will work out really well for you and your family. Just trust me on this."

Here we have the executive seeking Joe's agreement to the transfer on the basis of an appeal to some implied or tacit truth known only to the former. Perhaps more so than with any of the previous observations about trust, this one most readily establishes the link between trust and truth. Reinforcing this connection, one can consider the statement: "Joe long since ceased to trust his boss, because of his penchant for constantly telling lies." Confidence in the truthfulness of claims made by others is clearly a factor in our deciding whether or not to invest trust in them.

4.223 Trust and the expression of hope

A somewhat different sentiment to any of those implied in the foregoing accounts is captured in the statement: "I trust you will soon overcome your injuries and be back to full fitness." What is clearly being offered here, on one level, is an expression of personal goodwill – assuming the statement is being made sincerely. I would claim, however, that something else is involved, namely, an expression of hope. This brings yet another nuance of meaning to the term trust. It should be noted, however, that the manner in which hope is present in this particular example is suggestive of its attendance, albeit less obviously, in some of the earlier illustrations. For instance, in expressing my trust in President Bush to defend the homeland, I am also *hoping* it will happen if and when the need arises.[173]

A final example introduces the additional notion of trust being extended towards a 'thing' as opposed to a person. Consider the statement: "I trust the

QE II as a reliable, safe and enjoyable way of travelling between Southampton and New York." This use of the term identifies, as its object, the renowned ocean-going liner. As we saw earlier, we again have the notions of confidence, expectation, and hope being tacitly subsumed within the single term, trust. What the person making this claim is perhaps more accurately saying is: "I have confidence in this ship for the journey in question – confidence in its safety record, its comfort and amenities, and its reliability in departing and arriving on schedule. Moreover, I certainly hope that this voyage will not prove to be exception."

4.224 Reflections on the examination of trust in vernacular usage

The above discussion suggests to me that an appropriate way of analysing trust is to view it as manifesting in two distinguishable forms. The first is as an expression of one's confidence in the reliability, capability, and credentials of someone or something else; the second as a special feature restricted to the domain of inter-subjective relations. Regarding the first of these, it might be said that in order for the subjects to be willing to invest their trust in a person (Dr. Smith) or a thing (the QE II), the object will need to have earned that trust in some way. Dr. Smith will have done so in virtue of his medical degrees, his years of experience, complemented perhaps by certain personal characteristics such as his promptness in responding to calls, his confident demeanour, and his obvious clinical skills when treating patients. The QE II will have achieved it in virtue of its safety record, the many testimonials it receives from previous passengers, and in general on account of its "reputation". In this latter regard it should be noted that promotional campaigns (PR events, advertising, editorial publicity and so forth) are often intended to, and indeed succeed in, engendering a sense of trust in the targetted recipients. Thus, I could clearly express my trust in the QE II, and

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[173] This implication of a strong emotional undertone to the notion of trust will be addressed

genuinely possess that sense of trust, without ever having personally travelled on her. In consequence of her trustworthy reputation, I decide to invest my trust and travel on her.

The second form of trust is that restricted to inter-subjective relations. By this I mean that the platform on which trust is given and/or earned is that of the relations obtaining between people. While more than two people may be involved in such a platform, I will restrict myself to simple pairings for explanatory purposes. The distinction I wish to draw here can be understood by considering the following statement: "I trust Fred Johnson as a top-quality auto mechanic who is more than capable of fixing my car. However, I don't use him because he's completely unreliable; he makes compromises he doesn't keep, and tells blatant lies." What I am doing in this construction is making an important distinction between Fred as a *technician* and Fred as a *person*. Specifically, I might say that he is trustworthy as a mechanic but untrustworthy as a person. In drawing this line I am implying that he possesses virtuous qualities in one realm but not in the other.

To begin with, it is clear that trust, as used in everyday language, has to do with expectation. Moreover, it contains at least three additional strands of connotative meaning. It has to do with faith and commitment, insofar as it can indicate allegiance to a tradition, a belief system or ideology, or some other system of formulaic knowledge. It is likewise clear that expressions of trust convey a sense of the confidence felt by the person trusting in the one trusted. Indeed, felt confidence can be directed towards an object (the QEII) as well as a person. Affirmations of trust are also seen to express a sense of hope or optimistic expectation on the part of the one doing the trusting.

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in more detail later in the chapter.

These three manifestations of trust seem to share a number of things in common. For instance, they raise the question of whether trusting someone amounts to something more than mere reliance on them. They likewise raise at least the possibility of there being a 'gap' of some kind between truster and trusted, a gap born out of perceived differences in such factors as education, skill level, experience, capabilities, reputation, achievements, and so forth. This observation raises a subtle but nonetheless significant point in respect of the moral complexity of trust, namely, the extent to which trust is bound up with human vulnerability. More specifically, my investing of trust in Dr. Smith places me in a position of relative vulnerability in so far as the act of trusting implies a range of expectations on my part that, in dint of either his ill will or some other inadequacy, he might fail to meet.

But thinking about trust as an active ingredient in determining the quality and texture of inter-subjective human relations that involve the sorts of variables mentioned above (expectation, faith, confidence, hope, and so forth) serves the purpose of highlighting an important insight from my perspective. This is the fact that while trust is intimately but not necessarily involved in human interrelationships, its existence, *per se,* does not render the relationship a moral one. As Baier correctly points out, there can be immoral as well as moral trust relationships.[174] First instance, you and I may well 'trust' each other – albeit in a minimalist sort of way – in the context of coming together to plan and execute an armed bank robbery. While recognising this point about the contingent nature of trust in human relationships, I would nonetheless now like to argue for a dismissal of all minimalist conceptions when thinking about the role trust plays in managerial leadership ethics.

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[174] Annette Baier, *Trust and Antitrust,* in John Deigh (ed.), *Ethics and Personality: Essays in Moral Psychology,* (Chicago: University of Chicago Press, 1992), pp. 11-40.

To explore why this is so, it is appropriate to draw attention to recent work by Solomon and Flores. To facilitate an expeditious account of the relevance of this to my overall argument, it is appropriate to begin by providing a brief review of the key points of their thesis, then turning to a form of contextualised interpretation.

4.23 The Fukuyama thesis

In *Trust: The Social Virtues and the Creation of Prosperity*, Fukuyama, writing as a political scientist and social commentator, makes a cogent case for the importance of trust as a form of "socio-political glue". In dire need of more of this glue, he contends, is contemporary Western civil society. In support of this position he shows how two critical played themselves out during the course of the twentieth century. On the one hand there was the emergence of a potent economic order built around the emergent phenomena of corporatism and globalisation. On the other there was the emergence and growth of a new socio-cultural phenomenon, rampant individualism.

Corporatism is the term used by social commentators to refer to the arrival during the twentieth century of the giant corporation. In virtue of their size, complexity and power, these behemoths quickly demonstrated themselves capable of exerting inordinate influence, indeed control, over not only the lives of individuals (employees, consumers, citizens), but whole communities and societies. Some indication of the nature of this phenomenon is captured in the well-documented fact that the annual revenues generated by many of these large corporations (Microsoft being a prime example) greatly exceeds the Gross Domestic Product (GDP) of many third-world nation states.

Distinct from corporatism, but allied to it, is the phenomenon of *globalisation*. This is the term used to describe the virtual 'shrinking' of the world. New technologies in information processing, communication, and

transportation have combined to bring about a situation where business is being conducted on a global scale with apparent ease and transparency. Less than fifty years ago children, even in so-called developed countries, would have reacted with awe at the prospect of speaking by telephone to someone on a different continent. Nowadays the phenomenon of globalisation means that a lawyer dictating a letter in London can have it typed and back on her desk for editing and signature within minutes, notwithstanding the fact that the typing has taken place in Hong Kong. Thus, globalisation refers to the virtual diminution of the world. While this phenomenon can be seen to convey certain benefits, at least to certain stakeholders, it also has its drawbacks. Thus, for instance, while it is relatively easy nowadays for certain individuals or institutions to establish business operations just about anywhere of their choosing, the manner in which they do so can easily ignore cultural and social norms in the host community.[175]

The second of the two forces, the emergence of an ethic of individualism, represents a potent socio-cultural phenomenon that has gripped Western society during the twentieth century. Here we have the notion of individual agents coming to believe that, in virtue of their material prosperity, they carry no responsibilities in their lives over and above those they freely choose to assume. Within this ethic, appeals to traditional values, whether religious, ethnic, spiritual, or cultural are abandoned on the grounds that they are no more than forces that retard the prospects for individual progress and full personal emancipation.

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[175] Excellent illustrations of what I am here referring to can be found in: (a) Richard E. Sclove, *Democracy and Technology*, (New York, NY: The Guilford Press, 1995); and in (b) Langdon Winner, *The Whale and the Reactor: A Search for Limits in an Age of High Technology*, (Chicago, IL: University of Chicago Press, 1986).

Against this backdrop Fukuyama begins his analysis of trust by viewing society as made up of several constituent social layers, starting with the family unit and extending through various intermediate entities including businesses, voluntary associations, educational institutions, clubs, unions, media, charities and churches. Holding these layers together is a "glue", which is his primary metaphor for trust. It is a composite made up of the knowledge, values, norms, beliefs and virtues obtaining in the given social layer. Thus, he argues, the significance of trust resides in the fact that that it (a) holds together each individual layer, and (b) goes further to bind the respective layers one to the other. He defines it as "...the expectation that arises within a community of regular, honest, and cooperative behavior, based on commonly shared norms, on the part of other members of that community." It is useful here to note his qualification to the effect that trust is more than mere expectation of regular or predictable behaviour, for this may be dishonest or in other ways non-virtuous. It must be an expectation of honest, cooperative and ethically defensible behaviour. Encompassed within this conceptualisation of trust are norms that can range from what he refers to as "deep value questions" concerning matters like justice or the nature of God, through to those pertaining to purely secular considerations, such as standards of professional behaviour within different spheres of professional life.

Notwithstanding the qualification inserted by Fukuyama regarding the nature of the expectation, I believe the flaw in his understanding of the meaning of trust revolves precisely around this attempt to restrict its meaning to psychological event of expectation. As I will show in §3.23 upcoming, trust is a much richer notion.

But this deficiency in Fukuyama's overall thesis is by no means a fatal one, as it does not invalidate what is perhaps its most compelling contribution. This involves his account of the notion of "spontaneous sociability", something

he claims to be one particular expression of Durkheim's notion of "organic solidarity".[176] This is the term he employs to describe the capacity of individuals, operating outside the strictures of formal organisational or other social boundaries, to form mutually beneficial, cooperative and cordial relations. When enclaves of spontaneous sociability exist within broader social boundaries, such as those circumscribing a work group or business organisation, something he refers to as "social capital" begins to build up. In economic and accounting terms, capital items are found in the balance sheet of a business organisation, representing the accumulated value of shareholder funds invested therein. Fukuyama's notion of social capital does not appear in the balance sheet, but would represent, analogously, the composite value of collaborative human effort and creativity invested in the business. Thus, social capital is, according to Fukuyama "...a capability that arises from the prevalence of trust in a society or in certain parts of it. And, as the amount of social capital accumulates in the "balance sheet" of that society, it spawns not only greater productive potential but also an increase in civil and moral consciousness.

The nature of the cause and effect chain that begins with the formation of trust and ends in civil and moral enrichment is of particular interest to my enquiry. There are two principal reasons for this. The first relates to the fact that, whether or not his position is ultimately tenable, taking the time to study and evaluate its constituent arguments does contribute insights that enrich one's understanding of role trust can play in the operation of effective human communities. The second and perhaps more important reason for my interest relates to a pragmatic concern.

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[176] Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity,* (London: Penguin Books, 1995), pp. 27-29.

At this stage, suffice to say that assuming his cause and effect reasoning is robust, then it has the potential to assist me with formulating a plausible answer to a crucially important question. This is the one that inquires whether corporations might or should invest time, money and other limited resources in development programmes that aim to cultivate enhanced ethical sensibility on the part of those with leadership roles to play? I will return to this topic in Chapter 5.

In summary, then, I have identified within the overall Fukuyama thesis two particular issues of relevance to my project. One relates to the matter just discussed. The other involves what I consider to be the limitations associated with his definition of trust as "...the expectation that arises within a community of regular, honest, and cooperative behavior, based on commonly shared norms, on the part of other members of that community." It is to a more comprehensive discussion of the latter that I now turn.

4.24 The Solomon-Flores thesis

4.241 Inadequate conceptions of trust

During the course of their overall argument, Solomon and Flores make a range of claims as to the nature of trust and the developmental challenges relating to its systematic cultivation. (Indeed, they conclude their Introduction with a series of twenty-seven 'dot-points" intended to present, in *precis*, what they acknowledge to be the "...somewhat against-the-grain vision of trust we promote in this book."[177] It is, of course, neither practical nor appropriate to attempt a review of all twenty-seven elements in the limited space available here.

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[177] Robert C. Solomon and Fernando Flores, *Building Trust in Business, Politics, Relationships, and Life,* (New York: Oxford University Press, 2001), pp. 13-15.

Instead, I will focus on what is arguably their central thesis, around which all other claims tend to settle. This is the account presented of what they term "authentic trust". As a lead-in to articulating the meaning of this, they begin by outlining what they consider three widely held misconceptions: trust as a commodity, simple trust, blind trust.

A prevalent misconception about trust, they suggest, involves viewing it as 'stuff', often in the form of a *commodity* that can be traded or negotiated. Among offending metaphors in this regard would be trust (a) as a form of social glue[178], (b) as a medium or conduit, (c) as a prevalent atmosphere, (d) as a cohesive bond, and so forth. Indeed, they claim that the unhelpful nature of this misconception is sometimes accentuated through viewing the commodity as binary in nature. It either exists or it does not. As we shall see below, this sort of *black-white* dichotomy is very much at variance with their preferred conception which views trust, especially in its authentic expression, as a social practice that is both scalar and dynamic in nature. Such a conception holds no room for the commodification of trust, nor for attempts to describe it in terms of such limiting properties as risk, dependency, predictability, and so forth. For Solomon and Flores, discussions of trust are likely to be much more productive when engaged in by moral philosophers rather than actuaries.

A second misconception involves something they call *simple trust*. This they conceive as akin to the sort of trust that children have in their parents. Thus it is "untroubled, unthinking and taken for granted".[179] By way of further explanation of what they mean, they liken it to 'first love'. First love, although generally felt as an intense and pleasant emotional experience, rarely lasts. The sixteen-year-old declares undying love to her boyfriend, accompanying it with a

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[178] In this respect, Solomon and Flores disagree with a key part of the Fukuyama thesis.
[179] Robert C. Solomon and Fernando Flores, *Building Trust in Business, Politics, Relationships, and Life*, (New York: Oxford University Press, 2001), p. 54.

statement such as "I've never felt like this before.' She probably has not felt like that before, but this is hardly surprising given her age. She will no doubt go on to proclaim similarly immature vows to several other partners before coming to the equally immature conclusion that "all guys are bastards", whereupon her capacity for this sort of "love" is irreparably damaged. Is this a bad thing? Does this mean she is to suffer some lasting psychological damage? In respect of the former question, the answer is almost assuredly not. The disappearance of something immature, fake, or inauthentic, as Solomon and Flores correctly point out, generally opens up the possibility of something better taking its place. Regarding the latter, we can say that getting over the pain associated with realisations of this type falls squarely into what the person in the street, not to mention the professional counsellor, correctly describes as "part of parcel of simply growing up".

But what is occurring in this scenario is nonetheless very much a psychological dynamic. Simple trust, as conceived by Solomon and Flores, operates largely in the domain of affect. More specifically, it is a manifestation of inability, in the case of the sixteen-year-old girl, to regulate the inappropriate transference[180] of childhood emotional perspectives into those of early adolescence. As such, it is a normal part of the psychological maturation process. The real concern begins when the transference bridges into full-blown adulthood, and more poignantly into one's middle and later years.[181]

For Solomon and Flores, a third inadequate conception falls under the label *blind trust*. This is seen as the consequence of an inability or

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[180] I use the word "transference" here in its technical psychological sense. This refers to the carrying forward by individuals of emotional states, appropriate to one period in their development, to later periods in which the same states are now inappropriate. See, for instance, the explanation given M. Scott Peck, *The Road Less Traveled: The New Psychology of Love, Traditional Values, and Spiritual Growth,* (London, UK: Arrow Books, 1990), pp. 48-52.

[181] Further examination of the notion of psychological maturity is provided in Chapter 4 during the discussion of emotional intelligence.

unwillingness to take into consideration evidence suggesting that trust ought prudently to be withdrawn, or at least moderated in some way. In this sense, it might be argued that it is a less naïve form of misconception than that giving rise to simple trust. Unlike its simple cousin, blind trust is more likely to be the result of a deficiency in the rational domain. Individuals displaying it typically suffer from a form of cognitive dissonance, whereby they recognise the evidence but refuse to act on it. Instead, they stubbornly cling to a total unqualified trust in the object of trusting, generally another person. Solomon and Flores correctly suggest that this kind of trust is often the result of a previously held deep distrust now being converted into a form of recalcitrance at the other extreme.[182]

While more could be said about what Solomon and Flores consider key misconceptions concerning the nature of trust, the above brief description provides an adequate introduction for present purposes. Moreover, it serves to set the scene for an examination of their central alternative thesis, namely, what constitutes true or "authentic" trust.

4.242 The concept of *authentic trust*

One of the more compelling claims made by Solomon and Flores, and certainly one that falls into the category of "against-the-grain", is the suggestion that trust is best viewed as a social practice amenable to cultivation.

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[182] An interesting example of precisely this form of psychological reversal was in evidence at one point during the Agritest study. Sally, a scientist working in one of the laboratories, was known to have had little trust in one particular work colleague, a peer level scientist. Company folklore did not identify the reason for this, at least not to me. However, I was certainly aware of the rift. During the latter stages of my study, the individual in question was promoted to the role of Department Head, thus becoming Sally's new boss. For inexplicable reasons, and with almost immediate effect, she was seen to invest inordinate trust in her new manager (a male). When presented with evidence that he had clearly been guilty of a breach of departmental confidentiality, she responded in a manner that amazed her colleagues, especially those that had been aware of the previous relationship. Instead of condemning the blatant breach, Sally was seen to concoct explanations as to why the

More specifically, it is a social practice constituted by the sort of inter-relational dynamics generally found in human communities. Such communities are typically governed by norms and values, which in turn ensure, *inter alia*, that their constituent social practices are lived or carried out in measured and mature ways. Thus, in the specific case of the social practice that is trust, there is no room within this form of community for the naivete that marks its simple expression, or the peculiar form of cognitive dissonance associated with its blind manifestation. Instead, they argue, one encounters an on-going process of creating, giving, maintaining and sustaining trust that constitutes its true or authentic nature.

Seen from this perspective, it seems that Solomon and Flores consider it better to think of trust as a virtue-rich concept rather than a virtue *per se*. Members of a community of trust live out their lives in a manner reminiscent of the way of the ancient *polity*. A polity was a setting where strong personal and institutional bonds served to create and maintain an atmosphere that allowed individual members to live, love, learn, and flourish in a spirit of mutual cooperation, respect and harmony. But for a polity to work, it was necessary for its members to be sufficiently virtuous to enable them to make and keep commitments to each other.

By way of further explanation of their thoughts on authenticity, Solomon and Flores make the clever move of suggesting that one should think of trust more as verb than noun, and that one views its associated dynamics from this perspective. This manoeuver serves the additional purpose of giving them a platform on which to argue that one's capacity to *give trust* is just as much a virtue as one's own trustworthiness. (It is often the case that the only virtue

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apparent breach in fact gave no grounds for concern. It was as if the contrary evidence simply did not register with her.

automatically associated with trust, is the latter. We now find the former also coming into play.)

Authentic trust, according to Solomon and Flores, is a cultural phenomenon shaped by more than just individual psychological attitudes or dispositions. It is not the case, for instance, that introverted types are less likely to be trusting or worthy of trust than extroverted types, nor that *sensates* are less likely than *intuitives*.[183] This is an important consideration when reflecting on the role, played by trust, in the context of leadership practice. Leadership too, as we saw in Chapter 2, is a relational and social phenomenon. (The reader will recall the aphorism: "You can't be a leader without willing followers".) Trust, on this account, is important to leadership not only in the limited sense that prospective followers need to be trusting in order to follow willingly, which is certainly the case. Rather, we can extend the reflective horizon to include the proposition that effective leadership will, *inter alia*, be the sort of leadership that builds levels of mutual trust, within the relevant community. But subsumed into the notion of mutual trust is not only the virtue of being worthy of the trust of others, but also the virtue of being willing to trust those others.

Both the inauthentic forms, simple and blind trust, involving as they do an unreflective attitude to trusting, invariably manifest in the binary form indicated earlier. They either exist or not, are given in totality or not at all. With authentic trust, however, the agent exercises a certain judgement as to the how much trust to invest in a given set of circumstances.

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[183] I refer here, purely for illustrative purposes, to two of the four main distinctions offered in the Jungian rubric of human personality difference. For a good account of these, see John Welch, *Spiritual Pilgrims: Karl Jung and Teresa of Avila*, (New York, NY: Paulist Press, 1982), pp. 69-71.

While the disposition required for authentic trust is one of being willing to be trusting, depending on signals presented by the object (person) the agent moderates the level to be invested in line with an assessment of the degree of trustworthiness of the intended recipient. Thus, trust, in its authentic expression, is reflectively scalar. Given the agent's capacity to discern the relevant signals, a further indication of authentic trust will be the extent to which the level invested may change over time. The mature trusting agent may determine, in light of feedback, to alter the level either upwards or downwards. In this sense, authentic trust is not only scalar, but also dynamic.

The term *reflective optimism* is one of my own choosing, employed for the purpose of describing another feature of authentic trust as postulated by Solomon and Flores. Consider the following scenario by way of explanation. John, the manager of a given work unit, is faced with the choice of either trusting or not trusting a subordinate, Fred, in respect of an important upcoming project. In the process of making the choice he recalls a set of circumstances from a number of years previously where Fred demonstrated himself to be untrustworthy in a similar situation. Now suppose John consciously decides to invest his trust in Fred on this occasion, even though available evidence would readily permit him to withhold it. Solomon and Flores assert that, far from reflecting a form of naïve stupidity, John's decision in this instance most probably reflects the kind of sanguine outlook on human nature that is characteristic of the emotionally mature individual. In effect, what John is doing is deciding that a positive, affirming gesture on his part will, on the balance of probabilities, evoke a reciprocal gesture by Fred. He is thus exercising reflective optimism.[184]

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[184] While in agreement with Solomon and Flores in respect of this dimension of authentic trust, I would however introduce a *caveat*. In order for John's trusting gesture to be seen as such and, more importantly, to be acted on in the desired manner by Fred, he may need to call on certain communication skills to complement his sanguine perspective on human

The sanguine, invigorating, and life-giving qualities with which Solomon and Flores associate the notion of authentic trust, stands in sharp contrast to the "actuarial" perspective in which negative considerations like risk, dependency expectations, limitation, and probability play central roles. Consider those manager who subscribe to the view: "I refuse to trust anyone I don't know, because chances are you just get disappointed, or worse still, stabbed in the back." Such individuals inevitably see trust as something that confines or limits their world. Paranoia is never life-affirming, and it either reflects, or will contribute to, a narrow conception of human goodness. Authentic trust, when considered from this particular perspective, is something that must be grounded in self-reflective examination. Solomon and Flores correctly point out that one's capacity to trust others is an extension of one's own sense of self, or more explicitly, one's capacity to trust oneself. It is clearly more than a purely instinctual response. This is a topic to which I will return in Chapters 6 and 7.

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nature. Suppose John's first overture to Fred on the matter is: "Fred, I'm delighted to tell you I've selected you to work on Project X." And suppose Fred's immediate response comes in the form of the sardonic but unspoken thought: "Gee, this guy has a short memory. He must be pretty stupid to trust me again." What we have here is an immature attitude, which, if played out to the fullest extent in terms of Fred's subsequent behaviour, is likely to result in disappointment for all concerned. The reason is that the attitudinal maturity, or what in Chapter 4 will be called the emotional intelligence, being shown by John in making the gesture is of a higher order than that of which Fred is capable. By way of contrast, suppose John's opening salvo had been in the form: "Fred, I've to assign you to Project X because I both trust you and have confidence in your ability to do a good job. You'll realise that it would have been easy for me to overlook you for this opportunity, but I particularly want you to do it. I will, of course, be holding you accountable for the outcome. How do you feel about the prospects of tackling it, and what can I do to help if you decide to take it on?" What we have here is an example of a much more skillful communication style, where precisely the same offer is made to Fred but in a manner that charges him to consider more carefully his response.

4.3 Ethical Competence

4.31 New insights

My examinations of the foregoing accounts of trust - by Fukuyama on the one hand and Solomon and Flores on the other - have been purposefully curtailed for reasons of space limitation. While they are not intended to present the respective authors' views on the subject in their totality, they nonetheless serve the purpose of providing sufficient insight for me to draw pertinent conclusions. These can be conveniently categorised in the following manner. Fukuyama's work is helpful for two principal reasons. First, he presents an interpretation of trust that I found interesting but wanting, correct and insightful in some respects but deficient and incomplete in others. This motivated me to reflect more deeply on the subject, and to engage a wider literature. Second, his thoughts on the manner in which trust can act as a catalyst for social and cultural development are especially relevant to my overall argument, for reasons which I will develop more fully in Chapter 5.

For its part, the work of Solomon and Flores is helpful on several levels. Indeed, most of the themes developed in the upcoming §4.3 are grounded in their findings. But there is one standout feature to which I wish to draw explicit attention. In providing a richer and more expansive account of the nature of trust than that offered by Fukuyama, they identify, with greater perspicuity than would otherwise have been the case, the critical links between trust and an effective ethics of leadership. Expanding on this point, notice that whereas Fukuyama's thesis presents trust as a somewhat sterile and torpid actuarial notion involving expectations, risk assessment and probability, Solomon and Flores present it as a vibrant construct, deeply rooted in the ebb and flow of human inter-subjective contact. As such, it is rich in both psychological and ethical implication. They consider the essence of trust to be found more in the active process of trusting than in the evaluation of trustworthiness. This is not

to say that appropriate engagement of the head is not needed to complement feelings centred in the heart. Indeed, their notion of authentic trust can only exist when both our cognitive and affective psychological capacities are engaged in tandem.

Another critical insight from the Solomon and Flores thesis relates to their view of trust as a social or cultural dynamic within which a community can grow and flourish.

As mentioned earlier in my argument, the small coterie of professional philosophers interested in leadership ethics all draw attention to the importance of trust – Gini, Ciulla, Solomon, Bowie, to name but some. But no to date has gone as far as Solomon and Flores in hinting at, if not explicitly stating, how it fits in to an effective ethics of leadership. For this reason, I have been able to leverage their account of trust to forge one significant insight of relevance to my own overall argument. In fact, it has enabled me to identify, as essential to the practice of effective managerial leadership, a capacity that I have chosen to name *psycho-ethical maturity*. In the next chapter I will spell out precisely what this is and why I consider it so important.

4.32 From *sensibility* to *competence*

I have been using the term 'ethical sensibility' since the beginning of the essay to refer to the generic capability required by organisational managers in order to discharge effectively the moral domain of their leadership roles. But I now wish to draw attention to a concern I have harboured, since the outset, in respect of this. In short, to speak of 'sensibility' is to employ a term that is 'out of sync' with the prevailing corporate vernacular in this country. It is not a term in common use. It carries connotations of an older, and perhaps more refined, time in Australian history. For some, it also carries connotations of a form of aesthetic appreciation with which the cut and thrust corporate world is

by and large out of step. In 4.4, we will encounter the *hard-nosed decision-maker*, a person who, in many ways, can be taken to represent the antithesis of the 'sensitive new age guy'.[185]

My argument, accordingly, is for the need to replace the term with something more in keeping with the Australian corporate idiom. My alternative of choice is 'competence'.[186] This is a word in everyday use in corporate Australia, and for this reason, will resonate culturally in a way that sensibility would not have. Moreover, it is what I call a 'hard' word, and as such, much beloved of those in corporate management roles. What I mean by this will be clear to the reader if I suggest that other 'hard' words or terms include measurement, performance, appraisal, win, kick-ass, productivity, and so forth.

My intention here goes beyond questions of semantics. It has to do with ensuring that the chances of getting the required message across to corporate decision-makers are in no way compromised by making silly mistakes. As we shall see, beginning in the next section and throughout Chapter 5, the degree of difficulty in getting this sort of project off the ground is high enough without contributing unthinkingly to its early downfall.

4.33 Conceptualising ethical competence

I believe a case has been made for nominating trust and trust-building as central themes for purposes of progressing my overall argument. For this, I

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[185] Popular Australian mythology of the 1990s saw the emergence of the sensitive new age guy, or SNAG for short. Because he supposedly represented a sort of modern-day "Renaissance Man", he might have been expected to possess some old-fashioned 'sensibility' of the type here being contemplated.

[186] The only philosophical objection I can anticipate to use of the term 'ethical competence' in this respect might come from Bert Dreyfus. In *What is Moral Maturity? A Phenomenological Account of the Development of Ethical Expertise.* (An occasional paper presented at Murdoch University, Perth, Western Australia, 1996), he argues persuasively for a developmental hierarchy in which ethical competence comes behind ethical proficiency and ethical expertise in his preferred pecking order.

am primarily indebted for the insights derived, either directly or indirectly, from the work of Solomon and Flores. I am now in a position, by dint of these, to suggest that ethical competence can be thought of in quite a specific way.

To set the scene for this argument, it is appropriate to remind the reader of an explicit position I took in Chapter 1. In pointing to the various perspectives one can take in dealing with business organisations, I nominated mine as that of viewing them essentially as 'human communities'. More specifically, I began my analysis by explicitly choosing to view the modern business organisation as a community of stakeholders, each with their own agendas, needs, concerns, expectations, and aspirations for the future. At the time, I took this position for no better reason than that of attempting to narrow the field. To conduct a meaningful analysis of organisational and managerial leadership ethics is demanding enough without adding to the complexity by failing to nominate one's preferred perspective.

In the intervening pages, however, I have come increasingly to value this intuitively chosen commencement perspective. The metaphor of the organisation as a community turns out to be anything but an original one on my part. Many others have seen fit to employ it to good effect, in ways either directly or indirectly associated with managerial leadership and its related ethical domain. For instance, in summarising his argument on organisational ethics and the good life, Hartman, in likening the good organisation to a good community, says asserts that the good organisation/community is one that "... will protect autonomy, preserve the commons, and encourage moral progress." He goes on to add that, "Such an organization supports its participants' search for the good life, seeks consensus among people with different values, creates significant overlaps between morality and self-interest, and reduces the

possibility of brainwashing".[187] Likewise, it will be recalled that Rosen included community as one of his eight principles of leadership.[188] And, as we saw in §4.22 above, the metaphor was also central to the work of Solomon and Flores.

The felicitous employment of the metaphor of the 'organisation as a community', now leads me to think of leadership as a cultural economy in which there is the leader, the individual stakeholder, and the community per se. This can be thought of graphically as shown in Figure 4.2.

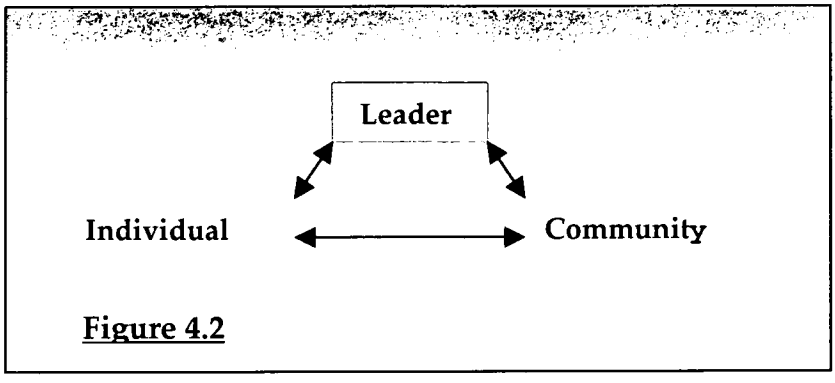

Figure 4.2

With this in mind, I suggest that an ethically competent leader is someone with the capacity to judge rightly, in concrete decision-making situations, what course of action needs to be taken to foster and maintain relations within the leadership community.

I will add to this preliminary outline in Chapters 6 and 7. But firstly let us deal with a major potential adversary.

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[187] Edwin M. Hartman, *Organizational Ethics and the Good Life*, (Oxford, UK: Oxford University Press, 1996), pp. 184-5. Not surprisingly, his reference here to "brainwashing" is intended to convey a similar sort of idea to that covered by Ciulla under the heading of "bogus empowerment".

[188] Robert H. Rosen, *Leading People*, (New York: Viking Press, 1998), pp. 21-22. The original reference came in Chapter 2.

4.4 Encountering the *Hard-nosed Decision-maker*

I began the essay by advising the reader that my overall aim in this project was to design a feasible process for the systematic fostering of ethical competence (as I am now calling it) among organisational leaders. Further, I made it an explicit introductory task to point out that my approach would be unapologetically and resolutely pragmatic. I argued that fine theory alone consistently fails to sway senior level decision-makers, in this country at least.[189]

Thus far in the overall argument, I suggest that I have accomplished two overarching tasks. First, I have demonstrated that closer scrutiny needs to be paid to the challenge of developing the ethical sensibility levels of those in corporate leadership roles in this country. Second, I have described, in this chapter, what I consider constitutes a plausible account of ethical sensibility in that context. The reader might reasonably anticipate that my remaining task, given the overall project objective set out in Chapter 1, would be that of offering a thorough description of what an appropriate and robust developmental syllabus might look like.

While this is indeed the case, I believe it needs to be couched within a particular framework, what might be called a thoroughly pragmatic one. Let me describe precisely what I mean by this by introducing the hypothetical figure of the *hard-nosed decision-maker*.

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[189] It should be said that it is not unheard of for such individuals occasionally to devote some time to take in a 'breakfast seminar' at which some member of the philosophical community might talk on corporate or organisational ethics issues. What is rare in the extreme is for any of them to commit to in-house development programmes. For the Australian context, contacting the St James Ethics Centre in Sydney will lead to quick verification of this claim. As will speaking to any University-based academic philosopher who has attempted to penetrate the corporate world with a consultancy proposal. Professor Jeff Malpas at the University of Tasmania is one of the few Australian-based academics to have had any success in this realm, but he too will readily attest to the degree of difficulty associated with achieving it.

Much of this chapter has been devoted to showing that appropriate ethical sensibility, in the context of managerial leadership, boils down to possessing the capacity to cultivate, on a consistent basis, what I have termed a high-trust community.

Moreover, I argued that the manner in which trust is to be understood is akin to the expansive interpretation recently offered by Solomon and Flores. Notwithstanding the plausibility of these arguments, the question of motivation of corporate decision-makers must be considered. My experience as a participant in the corporate world suggests that vast the majority of those individuals who need to be convinced of the merits of investing in leadership development programmes, fall into a predictable mold. I call this the *hard-nosed decision-maker*.

Certainly in respect of the contemporary Australian context, the *hard-nosed decision-maker* can reliably be characterised as male, middle-aged, tertiary educated (generally in engineering and/or a business discipline), and highly outcome-focussed and results-oriented. Moreover, in considering investment decisions, he is likely to be largely dismissive of appeals to any value other than economic rationalism. It can reasonably be assumed that he himself will lack the type of ethical sensibility discussed above. How, then, is he likely to react to a proposal suggesting the need for a development programme focussed on the cultivation of the capacity to foster and maintain high-trust work communities, even when that need can be demonstrated to exist? The simple answer, as many in-house Human Resource specialists and external consultants will attest, is that he is likely to be unreceptive and dismissive. Notwithstanding the strength of the supportive argument, concepts such as ethical sensibility, trust, and community-building will fall outside his prevailing investment paradigm. But this does not mean that every

proposal addressing such concepts is doomed to failure. What it suggests, however, is that any such proposal, in order to stand a realistic chance of succeeding, must be presented in a manner that takes account of, and pays due respect to, that rationalistic paradigm. It is to the preparation of such a proposal that I turn my attention in Chapter 5. In doing so, I will deal not only with matters of cosmetic packaging, but also with the more substantive question of what sort of normative ethical model needs to be in place to underwrite the overall programme.

Chapter 5

The Business Case

5.1 Introduction

In the previous chapter I argued for an interpretation of ethical competence as a consistent capacity for building and maintaining high-trust work communities. Towards the end of the chapter, I drew attention to an important *caveat* to be faced by the applied ethicist wishing to expedite the systematic cultivation of such a capacity in the cut and thrust setting of a contemporary Australian business organisation. In summary, this states that while developmental models that are theoretically robust and normatively credible are necessary conditions for achievement, they are not sufficient in and of themselves. They also need to be culturally feasible within the intended corporate environment. To accentuate the importance of this point, I drew attention to a hypothetical figure I referred to as the *hard-nosed decision-maker*.

As the person with the authority to sign off on the commissioning of development programmes, he (it is likely to be a 'he') is the one to be convinced of the merits of authorising the necessary investment and commitment of corporate resources. And, I cautioned, he is unlikely to be swayed by any type of reasoning except that falling within his prevailing rationalistic paradigm. For the ethicist wishing to pursue this type of developmental initiative, therefore, the first challenge to be overcome is that of presenting an investment proposal that does not conflict with that dominant paradigm. The central argument of this chapter is built around the claim that one way of achieving this is to embrace the prevailing corporate *idiom*.

The notion of idiom is most readily associated with language learning. Each language or dialect contains its own idiomatic platforms: patterns of speech or phrasing employed by native speakers.[190] The sense in which I will here use the term idiom is somewhat broader in its scope than this, but nonetheless readily identifiable from it. To speak of the Australian *corporate idiom* indeed includes accepted patterns of language usage. (Thus, for instance, in the previous chapter, I argued on precisely these grounds for changing the notion of ethical sensibility to that of ethical competence.) But it is also to refer to those rules, norms and values that make up the entire accepted corporate culture. For purposes of advancing my overall argument along these lines in the present chapter, I will seek to ensure idiomatic compliance by paying attention to three further components of the prevailing Australian corporate idiom. These are: (a) the use of 'hard-centred' conceptual models; (b) the provision of hard evidence to support soft-sounding claims; and (c) a deference to pragmatism.

My basic aim in this chapter can therefore be summarised as showing how adherence to the corporate idiom can assist with both the preparation and delivery of the sort of business case needed to convince the *hard-nosed decision-maker*.

5.2 Selecting a Suitable Model

5.21 The basic idea

In the Preface to their well-respected anthology on the mechanics of organisational change, Quinn et al suggest that the strategic decision-making process is typically characterised by...

> ... novelty, complexity, and openendedness, by the fact that the organization usually begins with little understanding of the decision situation it faces or the route to its solution, and only a vague idea of

[190] For instance, as a native English speaker, I would say, "It's just dawned on me that..." instead of, "I've just come to the realisation that..."

> what that solution might be and how it will be evaluated when it is developed. Only by groping through a recursive, discontinuous process involving many different steps and a host of dynamic factors over a considerable period of time is a final choice often made.[191]

Consideration of the implications of this statement led the authors to arrive at an important conclusion. Of all the attributes required by managers and leaders in the complex world of the organisational workplace, the "... most indispensable is *judgment* (their italics) because it is the integrator which guides and controls all the others. Therefore, we are making it the central focal point for our book".[192] They go on to suggest that one of the ways in which the ability to make sound strategic judgements can be facilitated is through the use of robust conceptual models. Several of the subsequent chapters then offer the reader a range of such models. (The reader will note that the reference to "judgment" by the authors will have served to place a 'hard edge' legitimacy on the models they subsequently offer.)

The applied ethicist, unfamiliar with the prevailing Australian corporate idiom, will be tempted to view the challenge of systematically building improved ethical competence as mainly a technical one.[193] The corporate insider, on the other hand, would most likely view it as primarily a process of strategic organisational change. As such, and following the advice of Mintzberg *et al*, the entire project can be planned and ultimately executed with the aid of an appropriate change model. Accordingly, to begin the current project by placing it within the parameters of such a model would be to show evidence of idiomatic sensitivity.

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[191] James Brian Quinn, Henry Mintzberg, and Robert M. James, *The Strategy Process: Concepts, Contexts, and Cases*, (Englewood Cliffs, NJ: Prentice-Hall International, 1988), p. xv.

[192] Ibid., p. xi.

[193] Moreover, she is likely to interpret the word 'technical' in one or both of two ways: (a) technical in the philosophical theory sense vis-à-vis selection of normative ethical framework, and (b) selection of the appropriate pedagogical and heuristic platforms for teaching adults in the workplace.

I now briefly describe one of these, the much-favoured *7-S Framework*. The description that follows serves two purposes. First, it provides those readers unfamiliar with such models with an explanatory overview. Second, it offers a background against which I can argue for the specific model employed in my project. My selection of the 7-S Framework for this purpose is based on its being both well-respected and widely-used by practitioners in the fields of organisational change and organisational development. It enjoys this popularity for three reasons: (a) it is easy to understand conceptually; (b) it can be readily adapted to particular circumstances; and (c) it has produced good results in actual organisational conditions.

The authors (Waterman, Peters, and Phillips) validate their model on the premise that much of the demonstrated failure in the leadership of strategic change is due to over-reliance by planners on the intersection of just two critical variables: (a) structure and (b) strategy. While these are indeed of central importance, they argue for the benefit of considering them as part of a wider inter-connected network of seven variables. For purposes of offering a heuristic *aide memoire*, they contrive to alliterate the naming of the elements, as presented in Figure 5.1.

Let us now briefly examine both the meaning and composition of this model.[194]

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[194] Robert H. Waterman, Jr., Thomas J. Peters, and Julien R. Phillips, The 7-S Framework, in James Brian Quinn, Henry Mintzberg, and Robert M. James ((eds.), The Strategy Process: Concepts, Contexts , and Cases, (Englewood Cliffs, NJ: Prentice-Hall International), pp. 271-276.

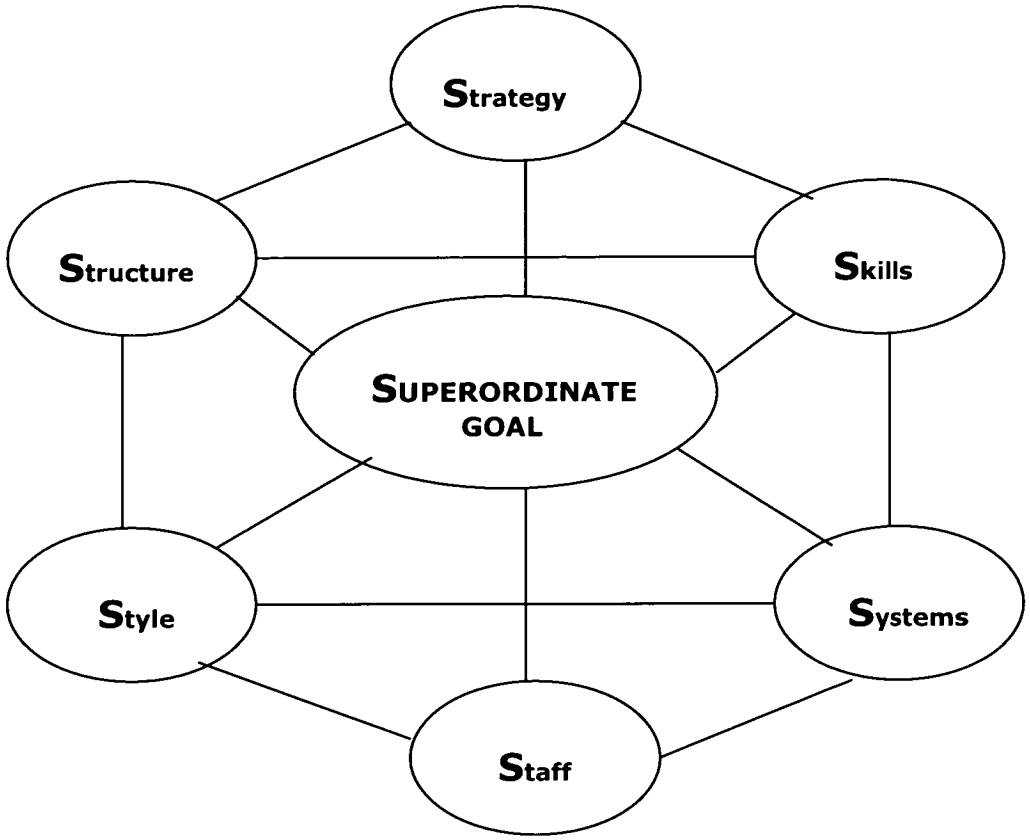

Figure 5.1 **The 7-S Framework**
(Adapted from Peters, Waterman and Phillips)

Structure

Structural considerations, according to Waterman *et al*, are important because it is through them that adjustments can be made to ensure that tasks, duties, responsibilities, authority levels, and other delegations are optimally allocated between available positions and individuals. Moreover, it is via consideration of structure that appropriate emphasis and coordination can be brought to bear on forces that might otherwise be mutually conflicting or mutually disruptive. Thus, the authors clearly had in mind the obvious organisational application of the term structure, namely, the manner in which roles, responsibilities, and reporting lines are specified.

Strategy

By "strategy" the authors mean the actions and options that are open to organisational decision-makers as they attempt both to meet and anticipate the challenges presented to it by its operating environment.[195] A broader interpretation relates to the overriding pattern of actions to be adopted, following appropriate consideration of alternatives, for the purpose of systematically pursuing some particular, duly specified end or goal. This alternative formulation is not inconsistent with the original, but does permit a more expansive interpretation in terms of potential usage.

Systems

The authors define "systems" as the processes and procedures, both formal and informal, through which organisational work actually gets done. From their portrayal, and supported by complementary insights from the literature, it can be seen that systems lacking efficacy simply do not get the intended job done.

Those lacking effectiveness tend to be inappropriately directed (i.e. an otherwise useful process being applied to the wrong objective). Those lacking efficiency may get the right job done, but do so at too high a cost.[196]

It is important to note that the authors, in their exposition of the model, seem to appreciate the distinction between the two adjectival cognates of the word 'system', namely, *systemic* and *systematic*.

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[195] Because of the focus of so much of O&M scholarship in the mid to late 1980s, and the particular preoccupation of the authors, the "environment" to which they are specifically referring is that of globalised competitive commercial business.

[196] An interesting analysis of organisational systems, and their effectiveness, that extends the Waterman *et al* treatment, can be found in Peter Checkland and Jim Scholes, *Soft Systems Analysis,* (Chichester, UK: John Wiley and Sons, 1990). See especially, their "systems evaluation model" described in pp. 25-42.

The former suggests the inherent connection or inter-relation between otherwise distinct variables. Their appreciation of it can implicitly be seen in the graphical representation of the model, where the interconnecting lines indicate that all sub-systems, or nodes, are related to each other as well as the central coordinating goal. Likewise, in so far as the model presents a methodical arrangement of variables, it can be said to illustrate the notion of a systematic or well-organised formulation.

Style

The way the authors use the term "style" is to point to a critical difference they see between "the basic personality of a top-management team" and "the way that team comes across to the organization". Finding the right 'style' of behaviour, as opposed to pattern of rhetoric, is important, they argue, because subordinates may listen to what managers say but tend to believe and be influenced by what managers actually do. Central to the distinction they make between personality and style is their belief that it is relatively easy to control and modify the latter in response to particular situations, while the former is far less adjustable.

Staff

"Staff" is the term used in the model for 'people', and 'people considerations'. The authors claim that their predilection is ... "to broaden and redefine the nature of the people issue".[197] In particular, they seem keen to make a distinction between the human dimension of change planning as represented in their use of 'staff', and its structural counterpart. Moving Fred to Department X may make sense in terms of structural adjustment, but (a) was it done with appropriate consultation, (b) is Fred happy about it, and (c) might it adversely or otherwise affect relations within the department?

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[197] Waterman *et al, op. cit.*, p. 274.

This very brief exposition of what is entailed by "staff" is all that is offered by the authors. It might well be argued that its brevity is somewhat at odds with the avowed importance they are attributing to the notion. Nonetheless, it serves the purpose of reminding the change planner that serious consideration should be given, but often is not, to the human dimension.

Skills

Under the heading "skills", Waterman *et al* have largely corporatised the meaning of the term to refer to what have elsewhere been called the "core abilities" of the organisation. They claim that in the process of planned organisational change, the organisation often needs to learn and then apply a new suite of skills. While the question of whether or not a business organisation can, *per se*, possess skill is a moot point, their inclusion of the heading in the model is nonetheless useful. It serves to remind the planner to take into consideration the range and complementarity of skills available within a given situation, and to do so in a way that does not confuse the availability of skills with either staffing or structural issues (as per the authors' definitions of these terms).

Superordinate Goal

Finally, we come to the seventh "S" in the formulation, that of the "superordinate goal" towards which the change process is being directed. Here that we encounter an interesting feature of the model. The authors use the term 'superordinate' to point to the need for a goal grounded in something that transcends the purely instrumental values normally associated with an ethic of economic rationalism. Experience validates, and workplace motivation theories endorse, the proposition that the spirit, imagination, and creativity of workers are not typically ignited by goals that focus on variables such the maximisation of stockholder wealth, or earnings before interest and tax. In contrast, when a

vision is shaped around a more all-encompassing ideal, it can have a much more potent motivational impact.

Consider the case of an owner-contractor trying to build enthusiasm among the workforce for a project involving the building, during winter months, of a new hospital. Articulating the project goal as that of getting the hospital built on time, so that the half-dozen or so financial investors can reap the greatest financial reward (higher profits because of no invocation of penalty clauses), is unlikely to fire up the hourly-paid workforce. One should not be surprised if great enthusiasm for the project is not in evidence. Re-casting the project goal as that of getting the new hospital built, as quickly as possible, so as to improve healthcare provision in the local community, may have a different motivational impact. Stated this way, the project may well engender enthusiasm, emotion, and commitment on the part of workers and other stakeholders.[198]

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[198] The power that resides in visions of this sort, notwithstanding the propensity for ethically questionable emotional manipulation, is widely acclaimed in the literature, and is seen to underwrite not only superior operating performance, but also the successful navigation of organisational transitions.
By way of illustration of the power of this sort of goal articulation, see, for instance, Joel Arthur Barker, *Future Edge: Discovering the New Paradigms of Success,* (New York, NY: William Morrow and Company, Inc., 1992). See, in particular, pp. 15-20.
In making this point, I recognise that this form of reasoning is not unproblematic for those philosophers interested in the question of moral motivation. It might be argued, for example, that the astute goal-setter may be tempted to frame the goal in such terms as to ensure that, ultimately, the interests of financial investors (of whom he or she may well be one) are best served. Whether or not this is the case, my argument is based around the fact that if a greater rather than lesser number of stakeholders are committed to a project, because they believe in the worthiness of what it is intended to achieve, this is an ethically good thing.
The fact that the originator of the idea, or the framer of the articulated vision, may have had purely self-interested motivation in mind, is essentially beside the point in terms of the wellbeing of others. The perspective from which I hold this particular view is *eudaimonistic* (related to the intrinsic merit of human wellbeing *per se*) rather than *utilitarian* (the greatest amount of good to the greatest number). For a good overview of the issues involved in questions of moral motivation in a modern organisational context, see the exchange of views between (a) La Rue Tone Hosmer, *Why Be Moral? A Different Rationale for Managers,* Business Ethics Quarterly, Vol. 4, April 1994; and (b) the reply by Shaw and Corvino. The ethical questions associated with manipulative practices, of the sorts raised in the Hosmer-

5.22 Evaluating the applicability of the *7-S Framework*

An important strength of the model is recognising that conceptually independent variables, in situations pertaining to human affairs, should be considered as potentially likely to affect one another. Thus, while a plan worked out by strategists may be flawlessly logical and theoretically robust, its actual implementation in a given workplace situation may be problematic. There may, for example, be lack of personal commitment to it on the part of key individuals, or they may subscribe to values that are at variance with those nderpinning its intent (*staff* factors). Its effective coordination and implementation may be compromised in virtue of poor communication channels between those in key roles, or in virtue of a lack of adequate facilities or facilitation (*structure* factors). Work procedures currently in place may be inadequate in supporting what the strategy demands by way of efficient action (*systems* factors).

The diagrammatic presentation of the model (Figure 5.1) makes clear, perhaps more persuasively than a purely textual treatment, that the authors wish to convey a sense of the inherent interconnectedness of all the constituent forces. Failure to consider any one of them, either independently or in relation to each other, can result in a well-conceived strategy failing to meet its intended function of facilitating realisation of a superordinate goal. Because of this, the framework deals with the need for the sort of systemic perspective argued for earlier.

Shaw and Corvino exchange, are explored further in Hugh Willmott, *Strength is Ignorance; Slavery is Freedom: Managing Culture in Modern Organizations,* Journal of Management Studies, 30:4, 1993, pp. 515-551.

The account given of *Superordinate Goal* highlights the important connotation of meaning intended by the adjective "superordinate". The model is valuable in bringing this particular point to the forefront of the planner's consciousness. Further, in giving an explicit account of the nature of the mutual relationship between the Superordinate Goal and Strategy components, the model offers important pointers on how best to bring a sense of shared vision, focus, and direction to the project design. In addition, the array of variables discussed under the headings of Staff, Skills, Structure, and Style, is sufficiently comprehensive to suggest what needs to be included at the level of content specific programme design and early implementation planning.

Against this account, however, an important area of concern needs to be highlighted. This relates to the definitions given by the authors to some of the component variables. Let me illustrate with some examples. As mentioned earlier, they see "structure" as relating specifically to considerations of formal organisational design, thus affecting the nature and definitions of roles, responsibilities, delegations, et cetera. Restricting myself to purely this interpretation would cause me to miss potentially important infrastructural considerations, notably in respect the structure of syllabi (as discussed ahead). In discussing "skills", the authors limit themselves to what I consider an overly restrictive aspect of the wider notion of competency. In a later section I will demonstrate that in addressing normative competency profiles, the planner recognises that the ability to perform a job well (or any life task for that matter) is as much dependent on knowledge and attitude is it is on skill. Finally, their definition of " style" as limited to pinpointing a distinction between personality and attitude does not, in my view, give adequate enough expression to what the term might connote in strategic organisational change. As I will show in a later section, the notion of style can be applied equally as well to matters of process as to those relating to human responses.

All things considered, however, I believe these limitations pose no serious threat to the potential relevance and benefit of using the *7-S Framework* to guide the conceptual design of my project. In response to being aware of them, I propose merely to employ an idiosyncratic interpretation of the model. The interpretation chosen is grounded in my consulting experiences in general, but more particularly in the choice of other change methodologies employed at Agritest.[199]

What I have always found useful about this model, when using it during consulting assignments, is not so much the actual definitions given to the seven variables by the authors. Rather, I have been attracted by the manner in which it connects the variables in a systemic way, suggestive of the fact that each has the potential in turn to affect all others. I have also found it appealing on the grounds that selected alternative meanings can be given to the variables, without detracting from its overall usefulness. It is to the deployment of this latter interpretive flexibility that I now turn in order to apply the model to my project.

5.23 Applying *7-S*: *a first iteration*

Let us begin on familiar ground by declaring that the overall *goal* of the project, as already identified, is that of raising standards of ethical sensibility among those with managerial leadership roles in this country. Moreover, let us say that the superordinate purpose associated with this relates to the fact that

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[199] Part of the idiosyncratic nature of the approach I am adopting lay resides in choosing to interpret the meaning of the seven variables in a flexible way. I put the reader on notice, therefore, that, in certain instances, the selected interpretation will differ from the original intended by the authors. I justify this move on the argument that conceptual models in the arena of organisational change planning are useful only in so far as they contribute to the expeditious formulation of relevant plans. As there are several meanings that can plausibly apply to terms such as strategy, staff, systems, et cetera, and as these do in fact differ from one organisational situation to another, then it is important for the user to exercise discretionary flexibility in its application.

organisational stakeholders in general can be expected to benefit from higher rather than lower levels of such sensibility.

As a first iteration of the overall *strategy* to be adopted to achieve this end, let us state that whatever approach is adopted must be well thought out, clearly articulated, and systematic. But, in addition, there must be flexibility during implementation to allow for needed changes in light of prevailing circumstances. (The obvious rationale for this is that complex processes of organisational change rarely succeed otherwise, largely in response to the inevitable onslaught of *Murphy's Law*.[200]

From a *style* perspective, a first-up choice is that of ensuring that all aspects of the proposed programme should be seen to fit comfortably with the prevailing corporate idiom, as discussed earlier. Among other considerations, for the Australian situation, this means that following the systematic process demanded by the nominated choice of strategy, cannot be achieved at the cost of too much formality. (The reflections of the current chapter bear testimony to adherence to this style profile.)

In respect of the *systems* heading, the commencement position is that of ensuring that a robust planning model is being employed, in response to the fact that the project has been positioned as one of strategic organisational change. (This decision requires no further comment at this stage, as it has already been explained above.)

A first interpretation of the *staff* category would lead one to think in terms of perhaps three separate categories of personnel. The first relates to selection for participation in the programme. It would seem obvious that this would normally be expected to include all those holding managerial roles (bearing in mind the top-down consideration mentioned earlier). A second

relates to the selection of external consultants to conduct and coordinate the development programme, requiring consideration of questions such as, What sorts of credentials are being sought? From where can the appropriately-credentialled individuals be sourced? A third category for consideration here relates to the role of internal facilitator/coordinator. Which staff members are most appropriately qualified to work with the external consultants in respect of logistical planning, programme monitoring, and so forth.

Under the heading of *skills*, the obvious candidate for inclusion is the question of precisely what proficiencies need to be taught and learned in order to affect the level of ethical competence of those participating. What range of capacities is a person with an adequate level expected to demonstrate?

Finally, from a *structure* perspective, let us state that the process of competence raising must be a top-down one. By this I mean that those managers at the most senior levels of the organisational hierarchy will be the first to participate in whatever programme eventuates. The reason for this should be obvious. The programme would achieve little credibility among and commitment from participating managers if their own superiors were seen to be outside its ambit of coverage.

It is obvious that the analysis attempted here is inchoate, being limited in both content detail and analytical sophistication. Yet it does offer the project planners a starting point by way of identifying and discriminating between the key variables involved in the change process, even if as yet clearly superficial and rudimentary. It can be monitored and regularly updated, as needed. (Indeed, this kind of flexibility is precisely catered for under the *Strategy* heading above.) Moreover, as we shall see below, once the first iteration has been completed, second-phase evaluations tend to give rise to specific re-

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[200] The so-called 'Murphy's Law' was explained in Note 47, Chapter 1.

formulations, and eventually to a clarified picture. This can be illustrated by observing how closer scrutiny of the 'skills' component served to illuminate the current project.

5.24 Reframing skills as 'competencies'

My main purpose in this section is to show that much can be achieved by reframing the notion of skills into the distinct but related category of 'competencies'. More specifically, I will show that two main benefits can be derived for the purposes of my overall argument: (a) a distinct movement towards greater idiomatic compliance, and (b) arrival at a comprehensive framework of proficiencies associated with the notion of ethical sensibility. Let us begin by taking a look at the generic notion of competence.

"Competence" is a word much loved in contemporary Australian business circles. It has a 'hard' ring to it, thus providing its appeal to the tough and uncompromising types who generally run our business organisations, or more aptly, to our HNDM. It is good to be considered competent in your field. During the 1990s, the entire infrastructure of organisational workplace training in this country got re-defined in terms of "competency based training", lending further imputed legitimacy to the notion.

What, then, does it mean to be a competent medical practitioner, a competent lawyer, a competent hair stylist, a competence actor, et cetera? It is reasonable to assume that most of us want to be competent at what we do, notably in those areas of our lives we consider especially important. As a theoretical topic, competence has been studied within various disciplines, and O&M studies is no exception. Generally, within this domain, competence is viewed as comprising three components. First, there is propositional knowledge of relevant facts. Second come the practical skills needed to carry out the constituent tasks governed by those facts. Third is the attitudinal

maturity to cope with the exigencies of applying the relevant knowledge and skill under a variety of contingent circumstances. Not least among these will be the challenge of coping with unwarranted and unexpected adversity.

To illustrate this construction of competence, consider the practice of "putting" in the game of golf. On the present account, what differentiates the competent from incompetent player will fall under one or other of three parameters. First, a player would be deemed incompetent if she did not know the relevant rules relating to this aspect of the game. These would include the explicitly strict regulations relating to the marking of one's ball when it lies on the opponent's 'putting line', the replacement of the ball upon removing the marker, the ensuring against 'shoving' rather than stroking the ball towards the hole, and so forth. A player may know all the relevant rules perfectly well, however, yet not have the necessary skill or aptitude to stroke the ball consistently with the required pace, to read correctly the contours of the green, and so forth. Such a player would also be considered incompetent, albeit for different reasons.

A third dimension of competence, attitudinal maturity, is a more slippery notion. It expresses itself as a particular mix of often-complex psychological responses that need to be present to meet the demands of any given set of circumstances. The reader who is a golfer may well recall standing over a three-foot putt on the last green during a tense Saturday afternoon four-ball, with nothing more at stake than a little pride and the usual small wager. You need to sink the putt to win the game. This can be precisely the moment when a variety of unwanted physical and/or psychological demons come out to play, disrupt your concentration and cause you to miss what you would normally sink nine times out of ten. The sudden manifestation of sweaty palms, a bead of perspiration at the corner of the eye, a bout of palpitations, are well-known

examples of such physical demons.[201] The sudden spectre of a similar-length putt missed on a previous occasion is another well-known and unwelcome fiend on such occasions. The point is that a player who consistently displays a tendency to miss such crucial putts – simple ones ordinarily well within her scope - will ultimately be adjudged incompetent by her peers. In the Australian vernacular, she will be known as a "choker" – someone who falters or "chokes" when the chips are down.

Another example of how attitudinal maturity may let down an otherwise competent golfer can be seen in the following. To putt well, it is necessary to read correctly the contours of the green. Putts rarely go in a straight line from putter to hole. While the ability to read such contours correctly is a skill, and while a given player may possess it, she may be nevertheless be someone who has difficulty controlling her impatience to get on with the game. In consequence, she tends to avoid what she sees as the tedious task of "lining up" her putts. The reader will no doubt have seen professional players on television squatting behind the ball and, using the putter as an alignment device, making an assessment as to whether the path to the hole will be straight or subject to some curvature. It is noteworthy that professional players rarely if ever fail to make the necessary effort to do this, even with short putts. By the same token, there are many "Saturday afternoon golfers" who tire of this after a few holes. The lesson here is a telling one. Psychological discipline in the form of attitudinal maturity is essential to the achievement of competence in golf, in many other aspects of the game than just the putting component discussed above. No doubt the same could be said of most sports.

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[201] While these are "physical" responses, they are nonetheless grounded in psychological forces. Arguably, therefore, all forms of "demon" encountered in this particular situation are ultimately psychological in nature.

On the above view, it is argued that competence can be thought of as the state of having the requisite knowledge and skill, together with the requisite psychological disposition, to achieve good standard performance on a consistent basis. But then there is the more challenging two-pronged question: What constitutes requisite knowledge and skill, and what constitutes an adequate psychological disposition? Before turning to this important question, let us explore how the notion of leadership competence can be reduced to a profile of specific constituent competencies.

5.25 *A competency profile for effective leadership*

5.251 Background

The reader will recall that my three-year involvement at Agritest had two separate but related dimensions to it. The first involved the provision of certain organisation development services, administered in my role as a professional management consultant. The second involved using this work as the platform for a phenomenological study of the nature of managerial leadership. As my understanding of leadership grew, it became apparent that certain specific competencies could be identified as essential to the its effective practice. While articulation of the competency profile was initially undertaken for the purpose of guiding the organisation development work, it became apparent during the process that it had equal relevance to the research project.

With no more insight into the nature of managerial leadership than that provided by the O&M literature, it would of course be possible to highlight certain specific competencies required for its effective practice. For instance, managers need to be able to communicate effectively with subordinates in order to demonstrate leadership. Likewise, they need to demonstrate competence in the art and practice of engendering a motivating atmosphere in their constituencies. For the purpose of promoting maximum internal ownership in a leadership development programme at the time on the drawing

board for Agritest managers, I undertook a series of Focus Group sessions[202] on the topic: *Specific Leadership Competencies*. At the beginning of each session, I explained its relevance with the observation that, as those participating would be the ultimate beneficiaries (or victims) of the resultant training programme, we had better jointly ensure that we concentrate on the 'right' competencies. To set the scene further, but taking care not to overly prescribe the outcomes, I provided each group with the list of leadership definitions as shown earlier in Figure XX.[203] I asked them to consider these in conjunction with their own individual experiences as both leader and follower.

5.252 An evolving competency structure

Having conducted six separate Focus Group sessions each involving twelve participants, I worked on interpreting the results with the benefit of assistance by a social research specialist from the Department of Sociology at the University of Tasmania. We succeeded in identifying five categories of generic competence, each made up of several specific individual competencies. It is important to emphasise that in arriving at this list, part of my contribution to the task involved ensuring that our choices of what to include and exclude were consistent with the conception of leadership presented in Chapter 2 of this document. The five nominated categories were (a) providing focus and direction (b) fostering motivation and morale, (c) building the team, (d) handling conflict, and (e) managing the process of change.[204] It is important to examine briefly what each category was seen to include.

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[202] Add ref.

[203] Refer back to Chapter 2.

[204] These were distilled from a larger group of more specific or particular competencies identified during the sessions.

Component 1: Providing focus and direction

At its simplest level, leaders are expected to ensure that all relevant stakeholders have an adequate understanding of the role and function of the work groups for which they are responsible. A useful refinement of this involves having some grasp of how the work of a specific group fits into and contributes to the wider organisational agenda. Related to this, but nonetheless representing a different competency, leaders are expected to articulate some sense of personal vision or aspiration that, ideally, followers will find in some sense inspiring. In fact, associated with the ability to do this is the further ability to present a vision that reflects an understanding of "what's in our minds and hearts to begin with". This ability of course subsumes a number of others, notably, knowing how to canvass the views and feelings of others. Moreover, effective leaders will be willing to refine their visions in line with feedback from stakeholders.

Thus far the provision of focus and direction has assumed a macro flavour, relating to the work group as a whole. A second dimension of the competency is seen to exist at the micro level. In this sense, effective leaders are expected to ensure that individual subordinates have a sense of their respective roles and functions, again taking care to facilitate recognition of how the individual role contributes to a purposeful wider agenda. This expression of leadership can readily be interpreted as playing a role in defining the extent to which individual followers have a sense purpose and meaning in their own working lives. In this sense, as we shall see below, competence in the arena of focus and direction setting, to some extent at least, cuts across that relating to the fostering of motivation and morale.

This latter cross-connection will be seen to play out further as the overall competency profile evolves. It is fair to say that the distinctions being drawn between the five generic areas of competence, and between many of

their constituent components, carry more weight from a theoretical perspective than they do as representations of everyday practicality. Notwithstanding this, putting effort into building the profile remained an essential part of the *syllabus* development process demanded by my professional work at Agritest.

Component 2: Fostering motivation and morale

A point of controversy in each of the Focus Group sessions centred on the question of whether or not it is possible for one person to motivate another. Some participants argued in the affirmative, suggesting that individual motivation is responsive to external stimulus. Those holding this position tended to extend the thesis to suggest that *Real Leaders* do indeed possess the ability to motivate subordinates. Against this was the argument that motivation is primarily an "inside job", as one contributor neatly put it, meaning that it is no more than a subjective psychological state. On this view, it is impossible for me, for instance, to be motivated by someone else, only by myself. The best any other individual can hope to achieve, for instance my immediate boss, is to facilitate the creation of those conditions under which I end up feeling optimally motivated in any given set of circumstances. While the Focus Group sessions rarely ended with an agreed or unified position from these alternatives, they generally did conclude that "feeling motivated" was a subjective condition. It was also generally agreed that external factors could indeed play some part in determining the extent of that feeling.

Once this point was reached, the discussion turned to the question of what role effective leaders tended to play in the process. Responses were seen to indicate that at least five specific leader behaviours contribute to individual motivation and group morale. The first is the extent to which they are seen to make an effort to get to know their staff members. While it might be argued that this could be done by simply reading "personnel files", such an argument would be seen to miss the point. What is being sought here is an indication of

human interest on the part of the managers, reflected in the extent to which they would converse with subordinates in a personally meaningful way. Does my manager tend to know what my hobbies are? Does she know my partner and I have just had a new arrival in the family? Does she know my mother is currently in hospital, and does she seem to take in interest in her progress?

Those considered *Real Leaders* at Agritest are clearly seen to have the interest, and to take the time, to ask these sorts of questions as a matter of course. Indeed, an extension of this capacity is their ability to demonstrate sensitivity to individual needs and preferences, or to put it more generically, to individual difference. For instance, the effective leader seems to sense that some individuals are more private than others, and, in consequence, will respect that privacy by not being seen to pry unduly. However, the handling of the private person will not extend to ignoring him or her. Instead, the effective leader will find a way to maintain a personal connection in a manner that is appropriate to the prevailing circumstances. Allied to this point is the leader's capacity to convey to each subordinate a sense of belonging to the group. The extent to which this is valued by different individuals will reflect their individual personality styles. Again, *Real Leaders* distinguish themselves through their ability to read these styles and respond accordingly.

Related to all the foregoing points is another measure of the competence of *Real Leaders*, the extent to which they are seen to promote values that reflect the views and feelings of the workgroup. I observed a good illustration of this during my Agritest work. One of the Department Heads, a person considered a *Real Leader* as per their own evaluation protocol, was known occasionally to pose the following question in staff meetings: What are the things that are important to us as a group of people working in this department? To give an illustration of how this matter resolved itself during the one occasion I had the opportunity to be present at one of these meetings,

I can describe the outcome of the discussion as follows. Team members present agreed, without too much difficulty, that there were, to use their own words, "...three values that should govern the way things operate in our department". These were nominated to be: "(a) respect for each other; (b) a "can-do" attitude in respect of client-servicing; (c) a cooperative ethic among ourselves in terms of sharing the overall workload, and more specifically in respect of the "shit jobs"." A couple of things were particularly noteworthy about the discussion that led to nomination of these three value commitments.

In the first instance, it was interesting how the Department Head made no attempt to impose her own views on the group. She seemed more than comfortable simply to act as facilitator to the discussion. She did confide to me arterwards that in the event that a value had been promoted that she seriously disagreed with, she would have made known her reservations and attempted to influence the outcome. When I asked if she would have pulled rank to insist on its exclusion if needs be, her response was that she would never be required to do that. The reason she offered was a most telling one. She said that whenever the group engages in a discussion that involves some element of controversy, members are invariably sensible enough to ensure that the right decsion is made. Again, when I pressed her on whether this might typically involve some form of subliminal submission to her viewpoint, she answered that it was quite common for a different view to prevail. It struck me forcibly that she clearly had both confidence in the juegement of her subordinates and trust in them as honest and truthful people.

Another aspect of this generic area of leadership competence relates to the attitude of the manager vis-à-vis working conditions in general, and workplace safety in particular. The *Real Leader* is seen to place appropriate emphasis on safety, security, and comfort factors in respect of subordinates; in

general, to take an interest in the physical as well as other dimensions (e.g. psychological, social, et cetera) of their well-being.

Component 3: Building the team

Six specific behaviours are seen at Agritest to contribute to the building of an atmosphere of team spiritedness and an ethic of cooperative teamwork. The first of these is the habit *Real Leaders* display of regularly convening staff meetings during which three things typically occur. First, the leader gives feedback on departmental performance and, most crucially, on what is happening in the wider organisation by way of new or changed policies, new developments generally, and what might be called general tidbits of information containing only curiosity value. All of these constitute pieces of information the leaders themselves typically receive (a) from their immediate bosses or (b) through their attendance at peer level meetings. (What was particularly noticeable at Agritest was that even though all Department Heads generally were made privy to the same information at the same time, not all of them saw fit to pass it along to subordinates. Unsurprisingly, this played no small part in their being slotted into the category of *Real Leader*, *OK Boss*, or *Waste of Space*.) Second, during these staff meetings, *Real Leaders* also distinguish themselves by their willingness to ask for ideas and suggestions in respect of how any aspect of departmental performance might be improved. Third, the leader is seen to listen to what is being said in response to that request, and moreover to take heed of the answers. The import of this latter point is best illustrated when viewed in contrast to a habit displayed by some of those not considered *Real Leaders*. Some Department Heads were noted for a tendency to ask for views and suggestions as to how things might be improved, but to always end up doing things "their way anyway".

The second of the six defining behaviours under this generic competence sees the leader making a regular and concerted effort to ensure that

subordinates have a clear understanding as to the nature and scope of their respective roles, authority levels, and areas of accountability. The rationale behind this feature as a contributor to team building can readily be gleaned from analogy with, for instance, a soccer team. Were the coach to inform each team member of his role in isolation from the others, it would be left to chance as to whether all involved eventually grasped who was supposed to be doing what. Much better in terms of promoting teamwork, and thereby the propensity to achieve desired outcomes, if the coach ensures everyone is made aware of who is playing where and under which specific tactical instructions. Again, it needs to be said that while the good sense of this injunction seems self-evident when presented in the context of a sports team, its practice was the exception rather than norm at Agritest. And indeed I should mention that, in my experience as a consultant, Agritest is by no means a notable exemplar of poor leadership practice. "Just average" would be a reasonable comparative evaluation.

Allied to the above is the third defining behaviour, a propensity on the part of the leader to promote a spirit of mutual cooperation and collaboration among team members. Again the soccer analogy is instructive. If team members are not willing to 'work off the ball, that is, to make decoy runs and so forth, then life is made more difficult for others. Likewise, when the defenders are under pressure, it is important for forwards to drop back and assist. But again we notice that *Real Leaders* are seen not only to promote this ideal, but to actively contribute to it through day to day personal example.

Allied to points two and three above, the fourth defining behaviour sees the leader as someone who ensures, on a continuing basis, that team members retain a sense of common purpose and focus. The good soccer coach is one who reminds team members on a regular basis that the team's overall aim for the season is to finish in the top four on the league table. This kind of

reinforcement keeps them focussed on not just the task at hand (today's game), but also the wider agenda that gives their on-going efforts a sense of purpose, meaning and significance.

The fifth defining behaviour, of special relevance to my argument, centres on the finding that pinpoints *Real Leaders* as those who actively promote an atmosphere of mutual trust among team members. As this point carries such relevance, I probed it further during the Focus Group sessions when it arose. As suggested by the discussion in Chapter 3,and by way of clear empirical support for the views of Solomon and Flores, a request for people to say more on the topic of trust invariably saw the discussion descend into a series of cliches and somewhat vacuous statements. I learned for instance, (a) that "trust is really important", (b) that "I can't give you a definition, but I know what it is", and (c) that "look, we all know what trust is, so let's just move on." While these discussions, accordingly, offered little by way of penetrative insight into the nature of trust, they did however prove useful in highlighting two points. The first of these shows that trust is widely seen as something we feel, indicating acceptance of the reality that its nature involves more than a purely cognitive architecture. There is clearly an affect dimension to it as well. In consequence, it can be concluded that a leader who not only promotes an atmosphere of mutual trust, but succeeds in making it happen, is clearly doing something that affects the psychological economy of the social setting in question. The second highlighted point is the conclusion on the part of Focus Group participants that an essential part of the leader's ability to promote trust, and thereby team building, was his or her own trustworthiness. But not only that, in clear vindication of a key Solomon and Flores thesis, it was also felt that *Real Leaders* show a willingness to trust others in a way that both affirms and empowers those others.

Sixth and last of the factors identified was the perceived propensity of *Real Leaders* to promote team spiritedness via their encouragement of an appropriate amount and frequency of social contact among team members. The word "appropriate" was here viewed as significant. It was emphasised, in a manner reminiscent of what Aristotle might have said on the subject, that too much social contact among work mates can lead to a dissipation of on-the-job professionalism. On the other hand, too little tends to work against the collaborative and cooperative spirit identified earlier. Effective leaders seem able to read the "mean" that corresponds to a correct (virtuous) expression of this talent.

Before leaving this generic competence area, it seems appropriate to acknowledge what might be seen as a criticism of the account thus far. This relates to the fact that much of what has just been reported under the heading of team building seems, on examination, to duplicate what was said earlier under the headings relating to (a) focus and direction and (b) motivation and morale. This is indeed the case. However, apart from the fact that I am attempting to provide here an accurate account of the proceedings of the Focus Group sessions and the subsequent interpretive analysis, one needs to consider the following. In the real world context, a leader's role cannot be felicitously divided into constituent tasks that follow conceptual boundaries. The work of managerial leadership is a dynamic activity that in addition to following a certain overall strategic thrust, must also demonstrate a great degree of hour-by-hour flexibility and spontaneity. Things happen which demand a flexible response. It is a hallmark of the effective manager/leader that she can call on the necessary personal attributes to respond as needed. Moreover, it is also a self-evident reality that a specific demonstration of leadership might indeed affect team spirit as well as individual motivation. The two concepts, while distinguishable, are clearly related.

Component 4: Handling conflictual situations

There are two broad categories in which a manager's ability to handle conflictual situations is important. The first comprises those situations to which the manager is a direct party. In this instance, she herself is a participant in the conflict situation. A good example would be where Department Head and Subordinate X are in conflict with one another about a given matter, for instance, the latter's work performance. The second category, every bit as common for most managers, involves the situation where two or more subordinates (or other stakeholders) are in dispute. In this instance, the manager is not a direct party to the conflictual situation, but nonetheless has a stake in ensuring its speedy and appropriate resolution. Rather than present the Focus Group findings in a manner that seeks to differentiate these two categories, thereby incurring some unhelpful duplication, I will present a single account. Readers can make their own assessment of which specific observations are most relevant to which context.

Perhaps the first indication of competence in this sphere is simply willingness on the part of the manager to get involved in the dispute resolution process. The point was made most forcibly that Agritest managers demonstrate varying levels of eagerness in this respect. Some simply never intervene, even when a dispute has gotten out of hand. Their preferred tactic is to wait for one of the protagonists to refer the matter to the Human Resource Department, and then hope that an independent mediator gets called in to sort things out. Others tend to avoid involvement until things have progressed to a serious stage of disconnection between the disputants, thus ensuring that relations will be significantly aggravated by the time they enter. *Real Leaders*, in contrast, are known to be willing to become involved at the earliest possible time. They do, however, encourage the collaborative ethics in this respect,

expecting the disputants to attempt a private resolution before seeking assistance. But, on being asked to intervene, they willingly do so.

Once the intervention has begun, *Real Leaders* are seen to demonstrate a range specific dispositions and competencies that facilitate the conflict resolution process. Chief among these is an attitude of equity and fairness combined with a willingness to listen to both sides before "jumping to conclusions" as to what the resolution ought to involve. Allied to this attitudinal stance is the specific competency of being able to draw the disputants out on the nature and extent of their individual concerns, whether undertaken individually or by way of a joint mediation session. This competency is seen to include not only an ability to ask the right sorts of questions and to listen non-judgementally to the answers, but also the necessary empathy to indicate to the disputants that their positions are at least being understood and acknowledged. A further component of this somewhat multi-faceted competency is an ability to de-escalate the conflict at an early stage.

De-escalation can operate on two levels. The first relates to factual assessment and, as such, is grounded, inter alia, in the cognitive or reasoning ability of the leader. Being able to grasp the "facts of the matter" at an early stage often helps the mediator to precipitate a resolution process more quickly than would otherwise have been the case. The second component, alluded to earlier, involves the leader's ability to read the emotional signals within which the dispute is enveloped. A leader's ability to defuse the degree to which unruly passions are exacerbating a dispute situation can be every bit as effective a de-escalation medium as her ability to comprehend that facts of the situation.

Allied to the ability to de-escalate a dispute is the capacity of the leader to bring the parties closer together. Again, while the obvious expression of resides in a process of factual rapprochement, an equally important dimension

is the ability to facilitate healing of emotional wounds resulting from the conflict. Insults may have been traded; hurtful allegation and counter-allegation may have been made; sides may have been taken that threaten group harmony. Any or all of these can leave deep emotional scars that effective conflict handling on the part of a manager can help avoid, or at worst greatly alleviate.

A final competency in respect of conflict handling crosses over the boundary into the domains of team building and motivation. This involves willingness on the part of the manager to keep those team members not directly involved in the conflict situation, adequately informed. Simple recognition of the desirability of doing this is itself an indication of a certain maturity on the part of the manager. When colleagues of disputants are left in the dark, at least undesirable outcomes can be anticipated. One is a propensity for half-truths and innuendoes to emerge; the other a tendency for the taking of sides. Neither eventuality tends to add any value to either the dispute resolution process or the leader's wider agenda in respect of team harmony, morale and so forth.

Component 5: Managing the process of change

The Agritest investigation, as reported in Chapter 2, made clear the extent to which the contemporary Australian workplace is riddled with the forces of change. The fifth and final area of generic leadership competence, as identified by the Focus Group process, involves the effective management of these forces in so far as they impact a given leadership community.

Real Leaders characterise themselves via an ability not only to recognise the inevitability of change, but to appear comfortable in the face of the challenges associated with its coming to pass. This is not to say that they have either to like or welcome all forms of change. *Real Leaders*, however, are

rarely seen to resist purposeful change, especially when a reflective examination of what is in store reveals that the longer-term benefits will outstrip the short-term inconvenience, difficulties and discontinuities that will need to be faced. In this way, *Real Leaders* are seen to respond positively to the prospect of meeting the challenges head-on.

Another expression of competence in the change management arena involves a proactive rather than reactive stance on the part of the manager. A willingness and ability to initiate needed change also plays a role. Often in response to feedback received from team members, as part of the communicative processes discussed earlier, *Real Leaders* will demonstrate their unwillingness to remain satisfied with the status quo when it is clearly not serving the best interests of the team. To initiate change in this manner generally requires as much courage as it does the capacity for judicious evaluation of the prevailing circumstances.

Whether change is enforced from without or instigated from within, *Real Leaders* demonstrate empathy and sensitivity in their handling of the transformation process. They seem able to tell which team members needs gentle persuasion, which need encouragement, which need a strong, directive approach, and which need to be told to tone down their natural aggressiveness. Part and parcel of this particular competency is a willingness and ability to involve team members in the change planning process, which in turn requires knowing how to involve different individuals based on their individual needs, concerns and aspirations.

5.253 Refining the Competency Structure

By way of summary, let me remind the reader that we have arrived at the point where a systematic interpretation of the recorded proceedings of six Focus Group sessions, conducted as part of the Agritest study in 1999, led to

the identification of five generic areas of leadership competence. In the foregoing section (4.2) each of the five was further dissected to expose a series of sub-competencies associated with it. During the dissection process, it was both recognised and acknowledged that several of these sub-competencies fall under more than one overall competence category, but that this in no way invalidates the conceptual structure thus identified.

The next question addressed pertained to what could be taken from this analysis for the purpose of pointing the way towards the formulation of a plausible strategy for systematically cultivating ethical effectiveness on the part of those in managerial leadership roles. As a first step in answering it I sought to develop further the conceptual structure already to hand. This led me to identify a role for what I have chosen to call the core competence of effective interpersonal negotiation. Precisely what I mean by "core competence" in this respect will become clear shortly.

The basis of my argument, in pinpointing the axial role of interpersonal negotiation, lies in the claim that all five generic competency areas, thus far identified, share something in common. This is their reliance on the manager's ability to achieve outcomes (such as improved individual motivation or group morale, satisfactory resolution of conflict, et cetera) which depend, to a greater or lesser degree, on gaining the agreement of subordinates, either individually or as a group. How does one go about gaining such agreement, bearing in mind the power differential? I draw attention to the question of the power differential in anticipation of the objection which suggests that managers can rely on their positional authority or power base to "drive through" their desired outcomes in any given interchange with subordinates. But this is to miss the essence of what *Real Leaders* are all about. To illustrate what I mean by the art of effective interpersonal negotiation, let me begin by identifying a number of different ways in which a manager might succeed in getting another to do his

or her bidding. In doing this, let us acknowledge the fact that, in any such exchange, the manager does indeed hold the formal hierarchical ascendancy.

In the first instance, and in line with the above-mentioned objection, the manager may choose to invoke this ascendant position and insist on getting his way. The invocation of positional authority will succeed in gaining the desired result on most occasions, but, I contend, only in a limited way. The limitation invariably manifests, sooner or later, as a form of diminished commitment on the part of the subordinate, born out of the reluctant acquiescence that drove the decision to comply. As management theorist Peter Senge correctly points out, there is a big difference between commitment and compliance centred motivation.[205] The latter is grounded in a purely rational form of instrumental response. By this I mean that the subordinate will recognise the "good sense" of being seen to comply with the boss's wishes, and thereby agree as a form of damage control. One major drawback associated with this response is that the compliant party often has to deal subsequently with the onset of a residual emotional reaction shaped by negative forces such as self-disgust, guilt, resentment, anger, and so forth. Enthusiastic commitment, in contrast to reluctant compliance, constitutes a form of pledge as much grounded in heart-centred affect as head-based reasoning.

I refer to the second method open to the manager as "simple persuasion". By this I mean an attempt to gain the desired response in virtue of a an appeal to nothing more compelling than, "Do this because it's a good idea!" The principal weakness of this method is that such an appeal may well succeed, but only because the subordinate does not wish to offend or disappoint the manager.

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[205] Peter M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization,* (London: Century Business, 1992).

While this is not the same as the invocation of positional authority on the part of the latter, it again results in a compliant rather than committed response. A third method of getting one's way comes in the form of subtle bribe. This amounts to the manager saying or inferring something along the lines of: "If you do as I ask, then I won't forget it during the next round of promotions." Nothing specific is being guaranteed here, but the implication is clear. While an ambitious subordinate may well be swayed by this form of appeal, the price the manager is likely to pay is a diminution of respect on the part of the others, and others in the event of the subordinate mentioning the arrangement to colleagues.

The above three methods of getting the desired result do not exhaust the list of sub-optimal options open to the manager. They do, however, serve to illustrate what sub-optimal means in this context. It means winning or getting one's way *prima facie*, but failing to engender enthusiastic commitment on the part of the other, to the point where the heart is as much invested in the agreed outcome as the head. Let us contrast these methods with my suggested preferred option, that of effective interpersonal negotiation. This involves the person instigating the negotiation (in our example, the manager) entering the process with a particular mindset firmly in place. This might be called the *Win-Win perspective*. The idea is to be prepared to make calculated concessions to the other party in order to achieve one's own desired outcome. This mindset, moreover, includes a repudiation of any form of unfair advantage-taking, most especially one based on an invocation, either obviously or subtly, of the power differential. As such, the negotiation option as here conceived constitutes both a philosophy and a method, in both cases grounded in an implicit appeal to honesty, fairness, equity, and the sanguine expectation of mutual benefit.

On the basis of the above argument, the competency structure associated with effective leadership practice can be summarised in the following

terms. There are five generic areas of competence which, while conceptually distinct, nevertheless tend to impinge upon each other in terms of practical application. These relate to the effective handling of focus and direction setting, motivation and morale, team building, conflict and change. Let us call these the applied competencies. Underpinning each, however, and serving to bind them together in terms of practical delivery, is the core competence we refer to as effective interpersonal negotiation. This structure can be illustrated graphically as per Figure 5.2.

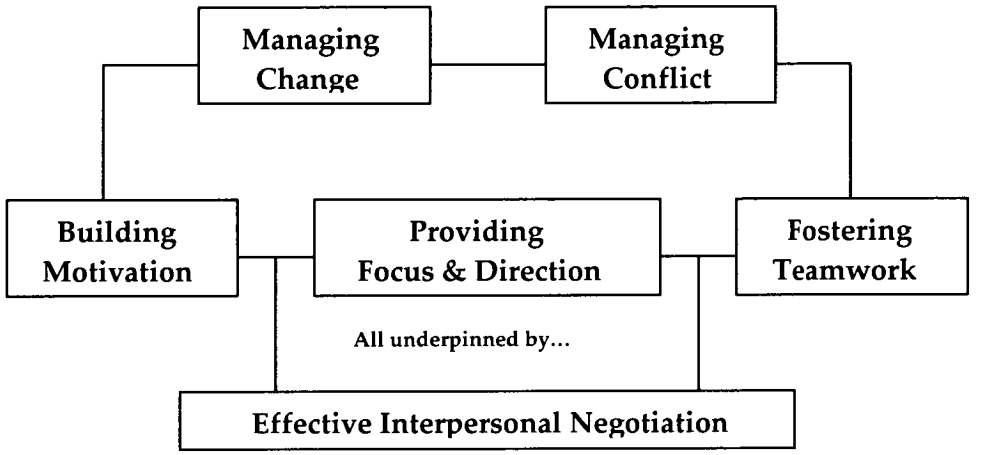

Figure 5.2

5.254 Refining the Competency Structure

As an understanding of the relevance of the process of effective interpersonal negotiation is such a crucial element of my argument, it is appropriate to examine its nature and scope in more detail. Let me do this by once again referring back to a specific exercise conducted at Agritest. On presenting the competency structure described in Figure 5.1 to members of their leadership development project team, I suggested as their next task the formulation of guidelines for conducting effective negotiation. This would, in turn, become a key component of the syllabus for the internal leadership development programme then on the drawing board. Conducting this exercise

as an accelerated learning project, the team consulted a range of propositional learning sources and combined the resultant insights with a sharing of their own personal experiences of the negotiation process. In due course they produced the guidelines contained in Table 5.1 hereunder.

As is apparent from this table, any given negotiation situation will ideally be viewed, on commencement, as a process. To think of a negotiation session as something one casually rolls up to with a view to "winging it" is to miss the point. With this in mind, the Agritest team recommended a four-phase approach. The preparatory work is conducted before any interpersonal engagement takes place with the other party. Once complete, the second phase begins the engagement and involves dialogue during which relevant information is shared.

Table 5.1 **Four-phase Negotiation Process**

Preparation Phase

1. Identify all relevant issues and concerns
2. Set objectives – noting ideal and minimum requirements
3. Try to anticipate the other party's likely demands
4. Decide what concessions you are prepared to make

Dialogue Phase

5. Be prepared to exchange information (facts, views, opinions, etc.)
6. Try to shape other party's expectations to fit your objectives
7. Try to identify other party's objectives and priorities
8. Be attentive for signals on other party's intentions

Framing Phase

9. Test out assumptions via 'trial proposals'
10. Listen carefully for in-coming proposals or other signals
11. Learn how to trade concessions as way of gaining agreement

Agreement Phase

12. Summarise key points of agreement
13. Ensure common understanding and joint acceptance among parties
14. Formalise the agreement in some appropriate way

Next comes the framing process, by means of which the effective negotiator attempts to find mutually beneficial common ground around which a final agreement can be structured. The last phase serves to clarify understanding and bring effective closure to the process.

At this juncture, I refer the reader back to a discussion that took place in Section 2.2 (Chapter 2). It was argued there that a useful way of thinking about the content of a given competency is to view it as consisting of three essential ingredients: a knowledge component, a skill component, and a component of attitudinal maturity. Overlaying this model on the guidelines presented in Table 4.1 produces an informative insight. On the basis of the overlay, a *prima facie* case can be made for suggesting that the practice of effective interpersonal negotiation is primarily a skill-intensive activity. After all, it can readily be argued that numbered points 1, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13 and 14 all demand significant skill components. Most of the latter, in turn, can be seen to fall under the generic heading of communication skills. For instance, activities 1, 7 and 8 require effective listening skills; 9, 12 and 13 call for the ability to express oneself assertively. Of the two not included in the skill-centred listing, activity 2 is perhaps primarily knowledge based, while activity 5 seems like an attitudinal factor.

The conclusion drawn here, as to the skill-intensive nature of the art and practice of interpersonal negotiation, is, by no means, without evidentiary support. The project team, on delivering the model outlined in Table 4.1, arrived at precisely the same position. Moreover, during the course of my corporate life, I have rarely if ever heard of the practice referred to as anything other than "negotiation skill". A further piece of evidence can be quickly reviewed by referring to the promotional documentation of an international consulting firm that specialises in the area. As can be seen from its directory

of services, *Scotwork* sees itself as being in the business of 'negotiation skills' development. [206]

To forestall the objection that such a citation lacks adequate academic credibility, let me remind the reader that the point I am trying to emphasise relates, not to the conceptual structure of negotiation practice, but rather to how it is perceived by corporate practitioners. If, then, I am to question the accuracy of the claim that interpersonal negotiation is primarily a skill-centred practice, what alternative thesis am I offering? This is the important question to which I now wish to turn my attention.

5.26 Summary of key points to date

The picture that has emerged thus far, in respect of a plausible model of constitutive leadership competencies, can be summarised as follows. There are at least five distinguishable areas of individual competency associated with the overall notion of competent or effective managerial leadership. I have argued that a common thread linking them is their reliance on a more fundamental competency, that which I describe as *effective interpersonal negotiation*.

So long as one accepts that the constitutive sub-competencies making up each category tend to overlap in the actual real-world theatre of leadership practice, and that the boundaries employed here are useful for purposes of conceptual guidance only, then the model presented will appeal to the HNDM. It serves to show him that those presenting the model have a grasp of the relevant corporate idiom, part of which is a predilection to employment of models of precisely this sort.

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[206] Corroboration of this subjective view can be seen at www.scotwork.com. *Scotwork* is a Scottish-based consulting firm dealing exclusively in the provision of specialist training and other services in the negotiation arena. With successful subsidiaries operating in many parts of the world, including Australia, the firm is considered one of the premier

Importantly, it will be recalled that in the explanatory account given of these various leadership competencies, there were several references made to the fact that possessing and displaying them in turn required a certain type of emotional aptitude or disposition. This, in turn, is entirely compatible with the central conclusion arrived at in Chapter 4, namely, that ethical competence is all about the ability to foster, build and maintain high-trust work communities.

But here we encounter a major obstacle in terms of contemporary Australian corporate culture and its prevailing idiom. Simply put, to speak in terms of the development of emotional aptitudes, or to speak in terms of learning how to development high-trust work communities, will in either case cause the *hard-nosed decision-maker* to recoil. Both language in use, and the proposition on offer, will offend his dominant paradigm. It might be suggested that one way round this would be to nominate the development focus as consisting in one or more of the leadership competencies *per se* (see Figure 5.1). These, after all, amount to the actual components of everyday leadership work, and as such, are made of words and concepts that are part of the relevant idiom. But there is a major problem associated with this manoeuver. To put in place a development programme aimed at the cultivation of one or more of these competencies, is not necessarily to guarantee that the syllabus followed will, in any substantive way, address the point at which the practice of the individual competency intersects with its ethical implications. In fact, experience shows that most leadership programmes concentrate on skill development, not the wider notion of competency development.

We are now approaching the point at which, I would claim, many well-intentioned applied ethicists will come to grief in their attempts to penetrate the corporate world. The kind of straightforward argument that needs to be made

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players in the field. The narrative material contained in its website provides ample testimony to he fact that the firm clearly sees negotiation as a skill-based process.

is idiomatically unacceptable. For instance, what actually needs to be said is something along the following lines: "Ms CEO, authoritative research shows that, chances are, your management personnel need to work on building up their levels of leadership ethical competence." But, if this is said, the exhortation will be rejected.

5.3 Making the 'Business Case'

5.31 Introduction

To make a case capable of convincing the *hard-nosed decision-maker*, it is necessary to leverage astutely, on several levels, one's grasp of the prevailing corporate idiom. My aim in this section is show how this is logically possible. To begin with, let me summarise the logic sequence already established. Point 1: There is a need to foster ethical competence at managerial leadership level. Point 2: Ethical competence has been defined in such a way as to require attention to the human psychological capacities needed for both the earning and giving of trust. Point 3: Any attempt to address such capacities directly, however, including any attempt to articulate the need in these terms, is likely to be rejected by the *hard-nosed decision-maker*. Point 4: If such a direct, logical approach will not work, then perhaps an indirect one will.

5.32 Towards a compelling 'indirect' argument

The first move in compiling the indirect argument is to remind our selves of two seminal conclusions arrived at earlier. At the end of Chapter 3, it was noted that leadership can usefully be thought of as a 'mindset' that is inclusive-expansive. Late in Chapter 4, in drawing attention to the usefulness of the metaphor of the organisation as a community', it was noted that leadership can thus be thought of as an interplay of relational forces between the leader, the individuals (stakeholders), and the community *qua* social group. While some of the forces referred to here are ethical in nature, many are psychological. They

have to do with human instinct, human intellect, and not least of all, human emotion. In fact, as became especially clear during our review of the Solomon and Flores thesis on trust-building, it is well-nigh impossible to leave them out of any meaningful discussion of leadership and leadership ethics.

We have seen that leadership is about possessing the ability to build and maintain the type of interpersonal rapport that both sustains, and in turn is sustained by, a mutually respectful and trusting environment.[207] On this view, it is reasonable to conclude that a person capable of demonstrating such ability is one who possesses a range of virtuous qualities. It is certainly likely that she will both possess and display many more virtues than vices. This leads me to postulate yet another view of leadership, here introduced for the first time. On this, leadership can be thought of as having two dimensions, what I will call the *instrumentalist* and the *essentialist*. The instrumentalist view relates to all those treatments of leadership that deal with *what the leader does*. Thus, it includes the use of such metaphors as the leader *as steward, as benefactor, as helper, as coach, as confidante, as teacher*, and so forth; and, it also incorporates most, if not all, of the reductionist theories described in Chapter 2. I wish to contrast this with a view of leadership that asks the question, What sort of person, *qua* human agent, becomes a leader?

To possess the personal qualities needed to engender trust, confidence, respect, and in general a positive emotional environment during one's dealings with others, necessitates a certain sort of individual. In fact, if challenged to put into a single phrase the sort of person likely to fit this profile, my claim is that many would suggest the following answer: *A person of character*. The lay-person, on being asked to explain what is meant by a 'person of character', is likely to come up with an intuitively well-informed response. This would

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[207] Refer to the arguments of both Chapters 3 and 4.

include, I contend, the suggestion that such an individual will be, *inter alia*, genuine, sincere, authentic, kind, courageous, temperate, caring, and humble.

Let us suppose, then, that our project were to be re-positioned as one of placing the developmental focus on deliberate[208] character building. That is, as a way of building greater ethical competence in leaders, the proposal is to concentrate the developmental effort on character building. Would this get by the *hard-nosed decision-maker* in corporate Australia? I think not. Yet again, we have a concept ('character' in this instance) that lies outside the scope of what is idiomatically acceptable, in the sense in which I have been using the phrase.

While this position remains at odds with the prevailing paradigm, I would nonetheless claim that we are now approaching a solid and coherent basis for an overall strategy. In support of this, consider the following re-framing of our logic position. Point 1: Corporate Australia needs to give serious attention to the development of greater ethical competence in leadership practice. Point 2: To achieve this, a developmental focal point is needed that is relevant from a moral psychological[209] standpoint. Point 3: Irrespective of what might be idiomatically acceptable, the concept of deliberate character formation

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[208] I employ the term 'deliberate' here quite purposefully. In doing so, I am following the distinction made by Kekes. He distinguishes between the sort of "fortuitous" character we end up with, in the absence of a willingness to undertake critical self-reflection, and the sort of *deliberately shaped character* that will result from purposeful, intentional cultivation. See, John Kekes, *The Examined Life,* (University Park, PA: Pennsylvania State University Press, 1988), and also, John Kekes, *Moral Wisdom and Good Lives,* (Ithaca, NY: Cornell University Press, 1995). In the latter, see in particular his discussion from pp. 129-136.

[209] In using the term 'moral psychological', I am explicitly following the suggestion of Flanagan and Rorty that moral psychology can be thought as the discipline located at the intersection point between normative ethics and scientific psychology. See the Introduction in Owen Flanagan and Amelie Oksenberg Rorty, (eds.), *Identity, Character, and Morality: Essays in Moral Psychology,* (Cambridge: MIT Press, 1997).

is a plausible focal point.[210] Assuming this logic chain is defensible, what is now needed is something that will connect it compatibly to the prevailing idiom.

5.33 Emotional intelligence

In this section, I will show how the recent upsurge of interest in the concept of *emotional intelligence*, and in particular Goleman's work in the area, can be used as the critical connecting variable in the indirect argument here being pursued. To begin with, let us examine what is meant by emotional intelligence.

5.331 Brief overview of the concept

Most of what we now know about human intelligence is very much at variance with what those of us, over the age of thirty, will recall from our earlier years. As a teenager in the 1960s, my understanding of intelligence centred on the notion of intelligence quotient, or IQ for short. Even to the layperson of the era, this was a straightforward enough concept, in that it measured 'how smart you were'. Clever kids at school were considered to have a 'high IQ'. They would most likely fly through high-school, go on to college or university, and then graduate to get a good job and earn good money. This, at least, constituted the popular wisdom. Much has changed, however, in the past thirty years in respect of the layperson's understanding of intelligence.

Most Australian corporate managers are not formally qualified psychologists. Yet most Australian managers can now discuss with you the concept of multiple intelligence theory. Many, in fact, could tell you that it is

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[210] At this juncture, I realise that we are still operating in 'non-technical' terms, philosophically speaking. Rather, we are working on the basis of informed 'layperson' logic. I will describe in detail, in Chapters 6 and 7, how this intuitive position becomes vindicated when underwritten by a particular expression of the ancient ethical doctrine of *eudaimonism*.

most famously associated with the work of Howard Gardner.[211] In a similar vein, most of them could now hold a reasonably well-informed conversation about what it means to be *emotionally intelligent*, and they could certainly tell you that the leading popular authority on the subject is Daniel Goleman.[212]

One of Goleman's main techniques, when introducing the concept of emotional intelligence to a corporate audience, is reminiscent of my own opening remarks in this section. He asks participants to cast their minds to the identification of those old school mates who fall into the category of having been very smart at school, yet subsequently 'came to no good in the real world'. In a similar vein, he asks for identification of those who appeared hopeless at school, yet went on to become financially or otherwise successful in later life. The reason for the former, he suggests, is probably a high IQ but low EQ (the prevalent abbreviation emotional intelligence), and *vice versa* for the latter. EQ, according to Goleman, amounts to "... a different way of being smart".

Goleman goes on to nominate five observable competencies that contribute to possessing and displaying a high EQ. The more of these that one can display, the more emotionally intelligent one is. The first is the ability to know one's own emotions. This amounts to being able to recognise and monitor one's feelings from moment to moment, as they occur. People possessing this capacity make personal decisions with certainty and assurance.

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[211] For a brief introduction to Gardner's multiple intelligence theory, see Howard Gardner, *Reflections on Multiple Intelligences: Myths and Messages*, Phi Delta Kappan, November 1998, pp. 200-209. For a more thorough explication, see Howard Gardner, *Frames of Mind: The Theory of Multiple Intelligences*, (New York, NY: Basic Books, 1983). For an interesting discussion of how he relates the theory to leadership, see Howard Gardner, *Leading Minds: An Anatomy of Leadership*, (London: Harper Collins Publishers, 1995).

[212] The reason for this is that, in his capacity as an active member of the international corporate 'speaking circuit', Goleman is a regular visitor to Australia. Moreover, many have read his books and/or articles. See, for instance, Daniel Goleman, *Working With Emotional Intelligence*, (London, UK: Bloomsbury Publishing, 1998).

The second capacity is that of managing one's feelings. This amounts to being able to handle one's prevailing emotional state in an appropriate manner. Persons proficient in this domain are better able to shake off negative emotions like gloom, anxiety, and irritability. These are the people who experience less difficulty bouncing back after an adversity has struck. The third capacity nominated by Goleman is that of motivating oneself. People possessing this attribute tend, *inter alia*, to be capable of delaying gratification and stifling their more unhelpful urges. They can, with greater ease, enter the psychological state known as '*flow*'. This is often associated not only with high degrees of personal contentment, but also the capacity for creative thinking and productive output levels.[213] The fourth is empathy. People with high empathy levels can readily place themselves 'in the other person's shoes, feel their feelings, see things from their point of view. Such individuals, according to Goleman, are attuned to subtle social cues and signals, which indicate what others want or need. Finally, the emotionally intelligent individual is adept at recognising and managing the prevailing emotional 'feel' or atmosphere in a gathering.

5.332 Marking the relevance

There are three reasons why the concept of EQ, as here briefly explained, is relevant to this stage of the current argument. First, the specific capacities, of which it is constituted, are clearly the sorts of characteristics that were displayed by *Real Leaders*, the normative benchmark for effective leadership, in reference to which I have operated since Chapter 3.

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[213] The topic of flow, technically known as 'psychic negentropy', is explained in detail in Mihali Csikszentmihalyi and Isabella Selega Csikszentmihalyi, (eds.), *Optimal Experience: Psychological Studies of Flow in Consciousness,* (New York, NY: Cambridge University Press, 1988. A fascinating everyday account is provided in Mihali Csikszentmihalyi, *Flow: The Psychology of Optimal Experience,* (New York: HarperCollins Publishers, 1990).

Second, the concept of EQ - and especially Goleman's work in the area - is well known in corporate Australia. Moreover, the research conducted by the Consortium for Research into Emotional Intelligence, of which Goleman is joint chair, is well known in this country. In fact, not only is it well known, but more significantly, it is accepted as robust and indicative of what needs to be concentrated on for leadership development purposes. This is an important point, as it represents the sort of 'empirical evidence' that facilitates compliance with at least one key dimension of the prevailing corporate idiom. Third, as Goleman makes clear in his writings and public lectures, EQ, unlike IQ, is capable of stimulation and development.

This last point is central to Goleman's propositions in respect of the manner in which EQ is relevant to effective leadership practice.[214] Specifically, he argues, - and this is a crucial link in the logic chain as it bears upon my own overall argument – the challenge of systematically cultivating higher levels of EQ always depends on elevating one's level of critical self-awareness. The reason for this is that both EQ level, and the deliberate cultivation of character, share the same commencement imperative.[215]

Given this, it is now possible to move confidently to finalising a business case to satisfy the *hard-nosed decision-maker*. Not only that, this last point also serves to indicate what sort of normative ethical platform can serve to underpin a developmental syllabus.

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[214] Foremost among these are: (a) Daniel Goleman, *What Makes a Leader?* Harvard Business Review, November-December, 1998, pp. 93-102; (b) Daniel Goleman, *Working With Emotional Intelligence,* (London: Bloomsbury Publishing, 1998); (c) Daniel Goleman, *Leadership That Gets Results,* Harvard Business Review, March-April, 2000, pp. 78-90; and (d) Daniel Goleman (with Richard Boyatzis and Annie McKee), *The New Leaders: Transforming the Art of Leadership into the Science of Results,* (London, UK: Little, Brown, 2002).

[215] As we shall see in Chapter 7, there is a good deal of similarity between Kekes' notion of moral wisdom, and the type of eudaimonism-centred ethical competence that I am here advocating. Moreover, we shall see how Kekes considers what he refers to as 'self-knowledge' to be inextricably connected to the cultivation of character and moral wisdom.

5.34 Some key lessons from 'Marketing 101'

5.341 The feature-benefit concept

Larger Australian organisations, like Agritest, each year commit significant funds to management development programmes that fall into one or other of two generic categories, what I call the *staple diet* and the *innovative newcomers*. Corporate decision-makers will readily attest to the vast amount of promotional material they receive, literally every work day, in respect of programmes falling into both categories, but especially the former.

Staple diet offerings, as here conceived, typically address a predictable range of perennially favourite topics that includes (a) basic principles of management, (b) managing change, (c) managing conflict, (d) negotiation skills, (e) building teams, and so forth. What characterises them is that their demand patterns are well established and predictable. The marketing challenge for each service provider is simply to maximise its market-share. The position is somewhat different in respect of the category of innovative newcomers. Here, there is no established demand pattern and the competitive threat may be, at least in the early days, insignificant.

It is my view that many applied ethicists would fail to recognise the crucial difference between these two generic types of product offering. In consequence, their product positioning strategies tend to be ineffective. Let me illustrate what I mean by *product positioning strategy* by direct reference to the challenge at hand.

The first issue to be addressed in formulating a strategy for marketing a development programme aimed at the systematic fostering of ethical competence in leadership, is to recognise that it belongs to the category of *innovative newcomers*. The second issue for consideration can be appropriately introduced by means of a well-known anecdote from 'Marketing 101'. In this story, two engineering companies simultaneously develop a new

product, the quarter-inch drill bit. They each then manufactured 250,000 units of the product, which they proceed to offer to the market. One succeeds magnificently, while the other fails miserably. Given that all other things are equal, why does this happen?

'Marketing 101' students learn that the successful competitor knows that to be successful, one must sell benefits, not features. This lesson is typically conveyed by means of the aphorism: Two hundred and fifty thousand carpenters bought the Brand X quarter-inch drill bits, because Vendor X positioned its product as a solution for those needing quarter-inch holes (a benefit). In contrast, Vendor Y was unsuccessful on account of working from the assumption that the carpenters wanted new-fangled quarter-inch option (a feature). The difference is subtle, but it cuts to the heart of contemporary competitive economics. Simply put, most consumers are interested in having problems solved or needs met. They typically do not really care how it happens, so long as it does.

5.342 The 'redundant question' concept

The 'redundant question' concept is both simple and arguably simplistic. It is the question that does not need to be asked, because everybody already knows the answer. Thus, to ask, "Do you still love your Mom?" is to ask a redundant question, at least in the vast majority of cases. Marketing 101 teaches that it is a good selling technique to include such questions at critical points in the negotiation.

5.35 'Selling' the development of critical self-awareness

In §5.33 above, I identified the role of critical self-awareness in respect of movement towards higher levels of ethical competence. But movement towards increased critical self-awareness has likewise been identified as a necessary condition for the development of emotional intelligence, which

currently is a development offering of interest to corporate Australia. It is not necessary, accordingly, to make explicit appeal to the fostering of ethical competence. Instead, the appeal can be directed towards the fostering of emotional intelligence. By leveraging this simple but seminal distinction, the ethicist can get around several otherwise troublesome obstacles.

In the immediately preceding section, I discussed the concept of the redundant question. It is now appropriate to illustrate its relevance. My claim is that the applied ethicist interested in successfully marketing a programme of leadership ethics development to corporate Australia must begin by posing the following question to his corporate prospect. "I presume, Ms X, that you are interested in increasing 'P', and doing so on some sort of sustainable basis?" In this question, 'P' stands for a business outcome that may be construed in one of three ways: individual performance, work group productivity, or overall corporate profitability. The important point is recognising that this constitutes one of the very few redundant questions that can be put to the hard-nosed decision-maker. He (remember, it will invariably be a 'he') can predictably be relied upon always to have some conception of 'P' at the forefront of his mind. He will answer: "Yes. Of course, I am interesting in doing something about shoring up our overall sustainable profitability." The applied ethicist then responds: "I had assumed so. I'd now like to take a few minutes to show how an innovative development programme can be leveraged to precisely that end."

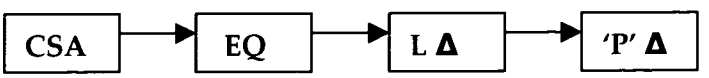
Making the opening move in this serves the ethicist in two ways. First, it alerts the decision-maker to the fact that, as a potential business partner, the ethicist is commercially-minded and in touch with the relevant idiom. Second, and of at least equal importance, it sets the scene for the subsequent presentation needed to make a logical and convincing sales case. It is to the second of these that I now turn.

Let me here remind the reader of a claim I made in Chapter 4 concerning the prevailing Australian corporate mentality. It is still very much in thrall to an objectivist philosophy that assigns little value to claims that are not empirically measurable in some. Bearing this in mind, the next step should be to remind the prospect of the well-established link between quality of leadership performance and the level of "P" that can be expected. The ethicist is on safe ground here, because the validity of this connection is axiomatic.

Now comes the step that involves posing the question, What factors contribute to quality of leadership performance? It is crucially important to answer this by invoking two specific sources. The first is the general body of research emanating from the Consortium for Research into Emotional Intelligence. In addition to whatever information is made available to the prospect on the spot, it also helps to offer the relevant website address, namely, xxx. The second source is that of Goleman's specific contributions to the theme of leadership effectiveness and emotional intelligence, notably those already referenced in Note 212.

The final component in the chain of 'logical' connections involves spelling out the role played by critical self-awareness in determining the level of EQ of a given individual. In particular, what needs to be emphasised is the direct correlation that is known to exist between one's levels of critical self-awareness and EQ.

The overall logic sequence can now be presented graphically as:



where CSA stands for critical self-awareness, EQ is emotional intelligence, L Δ connotes an increase in leadership effectiveness, and 'P' Δ an increase in performance, productivity or profitability as nominated by the prospect.

Attention has been given thus far in the overall argument to emotional intelligence[216], leadership, and the meaning and significance of 'P'. It is now time to address, in more substantive terms, the nature of critical self-awareness. I propose to do this as a component of the challenge of putting together a viable syllabus to underpin the development programme. Syllabus design is my focus in the remaining two chapters.

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[216] When making a presentation of the sort described here, it may be useful for the ethicist to have a further piece of empirical evidence up her sleeve. This could be used to answer the objection of a particularly anal and sexist *hard-nosed decision-maker*, who might issue the challenge: "All this talk about emotional stuff is OK for you. You're a woman, after all. It's easy for you. As far as I'm concerned, emotions just get in the way of good (read 'macho') decision-making." The evidence comes from Martin, who summarises important research findings in the following way: " [These findings]...reinforce the legitimacy and wisdom of recognizing an affective dimension of the managerial decision-making process. Such a dimension reflects sensitivity to the feelings, emotions and plight of employees, customers, suppliers, communities and other constituencies affected by the implementation of managerial decisions. In short, decision-makers are advised to listen to the "voices of the heart", so to speak, and avoid basing decisions solely on a cognitive, rationally analytical level of understanding." See, Charles L. Martin, *Feelings, Emotional Empathy and Decision-Making: Listening to the Voices of the Heart*, Journal of Management Development, Vol. 12, No. 5, 1993, pp. 33-45.

Chapter 6

Syllabus Structure: *The Broad Platform*

6.1 Introduction

In the previous chapter, I introduced the *7-S Framework*. I showed that by selecting a commencement interpretation for each of the seven variables, and then by looking at them in mutual interplay, it was possible to gain some important insights into how the change process under review might be expected to proceed. *Vis-a-vis* my own project, where the change process involves the design and implementation of a development programme aimed at the systematic cultivation of ethical competence, the model assisted with (a) overcoming the challenge of dealing with the *hard-nosed decision-maker*, and (b) pinpointing human character as the developmental focal point.

To be effective, a development programme requires a well thought out and robust *syllabus*. My aim in this chapter is to show that the ancient ethical doctrine of *eudaimonism*, in a broadly Aristotelian expression, is an especially suitable platform for my purposes.

Character, while a word in widespread colloquial usage, takes on special meaning in moral philosophy. A syllabus for its systematic development should therefore be carefully located in normative ethical theory. But ethical theory is by no means a unified field. After two and a half thousand years of continued exploration within the Western moral tradition, debate continues to rage as to the relative merits and demerits of the many individual positions that have been postulated.[217] Accordingly, in seeking out a suitable ethical platform for the current project, care needs to be taken to make the appropriate choice from among the relevant alternative platforms. For this reason, I will provide an

[217] I touched briefly on this point already in Chapter 4, and will return to it later in this chapter.

outline mapping of the overall territory. But before tackling that task, it is appropriate to begin with an examination of the ethical nature of character.

6.2 Character

6.21 *A general commentary*

My aim in this section is to show why a concentration on character, as the critical object of developmental scrutiny, is warranted in light of the account of the strategic organisational change agenda to emerge in the previous chapter. To this end, I will commence by looking at how the topic has been treated in the philosophical literature.

The following situation is commonplace in the recruitment and selection of new managers. The person doing the selecting, having worked through the applicant list decides, before finally offering the position to the favoured candidate, to refer to an acquaintance of that person in search of a *character reference*. In so doing one is normally hoping that the referee will feel free to speak of the individual as a person of *good character*. This is the sense in which the term character will be considered for the purposes of the present enquiry. The first question to be addressed, then, is this: What exactly do we mean by character, when used in this sense?

Flanagan and Rorty see character as consisting in a person's motives, perceptions, emotions, ideals, and self-conception.[218] As such, they suggest that any approach to ethical enquiry using it as the focal reference, is clearly one that recognises the relevance of psychology to morality. The reason, they suggest, is that the concepts of character and personality have long been conflated in everyday discourse, and with some justification, a point to which I will return in the Epilogue.

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[218] Owen Flanagan and Amelie Oksenberg Rorty, (eds.), *Identity, Character, and Morality: Essays in Moral Psychology,* (Cambridge: MIT Press, 1997), p. 2.

While personality has long been considered central to deliberations on mental functioning and related behaviour patterns, it came very much to the forefront of psychological investigation when Isabelle Myers and Joanne Briggs built their modern theory of personality types in the mid-1940s on a foundation of Jungian thought. This, in turn, quickly became a foundational tenet of modern developmental and educational psychology. The particular configuration of virtues and vices that stamp human individuality, as constituted by our individual personality styles, tends to be a reliable signpost to the quality of our character.[219]

Sennett tells us that "... old English speakers, and indeed writers going back to antiquity, were in no doubt about the meaning of "character": it is the ethical value we place on our own desires and on our relations with others." He goes on to say that Horace saw the character of a person as depending on his or her connections to the world. In this sense character is seen as a more encompassing term than its modern offspring "personality", which concerns desires and sentiments which may fester within, witnessed by no one else.[220]

Another feature of character is its enduring nature. Whilst some descriptors of human individuality tend to focus on short-term or transitory conditions – mood here springs to mind - character in contrast is very much about the longer-term aspect of our emotional experience. Good character becomes manifest, accordingly, through values such as loyalty and commitment, or through the pursuit of long-term goals, or via the practice of delayed gratification for the sake of a future end. "Character concerns the personal traits which we value in ourselves and for which we seek to be valued

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[219] See, for instance, John Deigh's *Introduction* in, John Deigh, (ed.), *Ethics and Personality: Essays in Moral Psychology*, (Chicago: University of Chicago Press, 1992), pp. 1-10. See, also, Nancy Sherman, *The Habituation of Character*, in Nancy Sherman, (ed.), *Aristotle's Ethics: Critical Essays*, (Lanham: Rowman & Littlefield Publishers Inc., 1999), pp. 231-260.

by others."[221] Gini tells us that the root of the word "character" comes from the Greek word for engraving. As such, applied to human agents, it refers to the "...enduring marks or etched-in factors in our personality, which include our inborn talents as well as the learned and acquired traits imposed on us by life and experience. These engravings define us, set us apart, and motivate behavior."[222]

Given the oft-encountered conflation of character and personality, one might wonder why modern psychology does not speak of character theory. Presumably the answer has something to do with the fact that the word character has moral overtones which personality lacks, and many psychologists are understandably wary of wandering outside their domain of expertise.

Given this aspect of the constitution of character, it becomes clear why it is so relevant to an enquiry of this sort; that is, one concerned with moral education, albeit in the specialist arena of organisational leadership practice. If character, in its most commonplace understanding, has to do with the ways in which we most typically tend to think and act, then the thoughts and actions that are related to moral choice present as the most significant. A leader's habit of taking her morning coffee break at 10am might say but very little about her character. But her tendency to tell lies, or for that matter to be scrupulously honest in all her dealings, are quite telling and revealing factors in terms of character insight. But it is important to remember that not all character traits (in the loose sense) which potentially affect the happiness and wellbeing of others should be so readily classified as moral.

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[220] Richard Sennett, *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism*, (New York: W. W. Norton & Company, 1998), pp. 9-12.
[221] Richard Sennett, *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism*, (New York: W. W. Norton & Company, 1998), p. 10.
[222] Al Gini, *Moral Leadership and Business Ethics*, in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership*, (Westport: Praeger Publishers, 1998), p. 37.

For example, John's tendency to be nit-picky may be both a feature of his character and a source of real annoyance to his subordinates. Likewise, the favoured characteristic of resilience can be morally significant but it certainly need not be. Having thus established that character can have a non-moral dimension, it is appropriate to concede, following Kupperman, that it is its moral dimension in which we are most clearly interested. As he says: "No one would be spoken of as having a good character who did not, on the whole, make moral choices in a way that we considered correct."[223] To have a good character suggests the dominance of virtue over vice.

People with but a vague grasp of the role which character plays in shaping moral consciousness, are likely to figure prominently among those who tend to express views or act in a moralistic manner. This is one reason for making a specific attempt to spell out, as definitively as possible, the precise nature of the relation between character and morality. Having set the scene by way of the observations made above, let us now move to a more precise level of analysis.

6.22 *Anatomy of character*

As with many of the concepts of moral philosophy, it would be naive to commence from the assumption that a single, unambiguous, and unchallenged definition of character can be found. Likewise, it would be silly not to assign it one for the purpose of this project. However, given the obvious complexity of the term, one should be especially careful in setting parameters to cover the formulation of such a definition. There are at least four that should be kept in mind. First, while character is concerned with the moral quality of a person's life, the emphasis should not necessarily be on distinctiveness. Second, one should avoid the temptation of trying to give a succinct account of it by

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[223] Joel Kupperman, *Character*, (New York, NY: Oxford University Press, 1991), p. 8.

nominating a list of qualities that one ideally needs to possess in order to demonstrate good or bad character. Third, whatever conceptualisation one arrives at should capture features of the important ordinary uses of the word, and should help us grasp the implications and importance of those features. Fourth, ideally the chosen conceptualisation will include some clearly outlined position on the nature of the 'self' to which character traits will be assigned.

With these sorts of guidelines in mind, the strategy I now use to build a defensible account of character has two main components to it. The first involves using the comprehensive account of the topic provided by Kupperman as a primary reference point. The reasoning for this choice relates to its prominent position in the current literature, and the fact that it presents a contemporary perspective. The second involves reviewing the insights arising from the Kupperman analysis by cross-referring them to what is arguably the most revered account of the topic in Western philosophy, that of Aristotle. According to Kupperman:

> X's character is X's normal pattern of thought and action, especially with respect to concerns and commitments in matters affecting the happiness of others or of X, and most especially in relation to moral choices.[224]

On examining this definition closely, five interesting points reveal themselves. First, *normal pattern* is intended to emphasise that the concern is with thoughts and actions that are durable and predictable. If it is an occasional tendency of mine to show compassion for the misfortunes of others, this is not sufficient for someone to conclude that a compassionate disposition is an enduring feature of my character. Second, the explicit reference to *thought and action* is Kupperman's way of alerting us to an important caveat.

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[224] Joel Kupperman, *Character*, (New York, NY: Oxford University Press, 1991), p. 17.

While character is somewhat easily recognisable through an agent's pattern of actions, of at least equal importance are the patterns of sensibility, attitude, value, and belief (collectively designated by him as 'thought') which inspire those actions.

Third, he sees fit to qualify the object of thought and action as relating, specifically, to *concerns and commitments* in matters affecting happiness, as opposed say, to relating more broadly to just the matters as such[225]. The reason for this qualification is important in that it serves to highlight another important nuance of meaning. According to Kupperman, temporal continuity needs to feature in order for the character of the individual to be involved. If my tendency is, even on a regular basis, to have thoughts or feelings that merely come and go fleetingly, then they are not significant for present purposes. Thus, I may be inclined to say that "I'm sick and tired of listening to Fred's complaints", when Fred is being especially grumpy. But if I am also inclined to bounce back quickly to a display of greater equanimity, and even if this occurs on a regular basis, then it does not necessarily point to an uncaring trait in my character. According to Kupperman, to avoid the possibility of arriving at an incorrect characterisation, it is helpful to select, as the object of one's thoughts and associated feelings, those things that are either concerns or commitments. He correctly asserts that both the latter sentiments represent features that clearly endure, and thus constitute "temporal bridges" in one's sensibilities.

Fourth, on Kupperman's view, there are many choices that we make which, even though significant on some criterion or other, do not necessarily count as salient in an evaluation of character. Thus, my decision as to whether

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[225] This point becomes clearer when it is noted that in working towards this definition, Kupperman presents a preliminary version that reads: X's character is X's normal pattern of thought and action in relation to matters affecting the happiness of others and of X, most especially in relation to moral choice." Op. cit., pp. 14-16.

or not to accept a job offer to work overseas is clearly significant in my life, but may not reflect in any salient way reflect the quality of my character. If I am a conscientious accountant working for a reputable firm in Sydney and decide to take up an offer to move to the San Francisco office, this is not a reflection on my character one way or the other. There is no serious *moral choice* necessarily entailed. In contrast, however, consider the position of an accountant currently working in Sydney for the reputable firm who knowingly decides to accept a better-paying job in San Francisco working for the Mafia. This would involve a significant moral choice, and subject to the other criteria stipulated in Kupperman's definition, would speak much more closely to the quality of my character.

The fifth and final insight about the nature of character to be derived from Kupperman concerns his reference to *happiness*. His position is this. If the object of one's concern or commitment is a matter that has the potential to affect the happiness of that individual or others, then character is implicated. This, however, requires consideration of a number of issues, the most serious of which relates to the meaning of happiness and its level of significance in matters of moral choice. This is a topic to be taken up in greater detail in a forthcoming section. (Differentiate strong and good character).

I believe four important insights, of relevance to my overall argument, can be derived from the Kupperman account. First, character is an inherently complex notion within ethics, which itself is an inherently complex discipline. As such, it does not readily yield its secrets, especially to superficial scrutiny. Second, one can certainly say that to be considered 'of good character' is a most desirable, indeed essential, qualification for those aspiring to be leaders, given the account of the nature of leadership presented in this essay. Third, in order to be judged a person of 'good character', one must have learned to exert a certain kind of 'control'. (The precise nature of the forces that need to be

controlled will be explored in greater detail later in the chapter.) Fourth, character is essentially about the goodness of our lives. Put another way, good character is essential for living a good life.

Having thus confirmed the relevance of character as an appropriate developmental focal point for my project, and having briefly examined its place in moral philosophy, a key outstanding task is that of precisely pinpointing how the topic should be accommodated within a syllabus structure. I will return to address this in Chapter 7. In the meantime, it is necessary, given the above, to identify the broad domain of normative ethical theory within which that syllabus needs to be located.

6.3 Normative Ethics: *Mapping the Territory*

6.31 *A general outline*

Ethics has enjoyed neither a consistent nor uncontroversial understanding within the philosophical community, over the two and a half thousands years of its existence as a formal topic of enquiry. Broadly speaking, it can be thought of as the study of human conduct in respect of its judged good or bad, right or wrong, defensible or indefensible. The actions of human agents supply ethics with its raw material. In distinguishing between actions that are voluntary, in the sense of being undertaken intentionally by the agent, and those that are involuntary (breathing the air, digesting food, for example), ethics addresses itself specifically to the former. Other professionals – for example psychologists, sociologists, and anthropologists – also study human actions and conduct. What distinguishes ethicists is their specific interest in the moral character of such conduct, the extent to which it measures up against some criterion or yardstick of what is considered morally laudable or blameworthy. The difficulty comes not only in respect of the enormous diversity in human conduct to which such interest can be directed, but also in the fact that there are no universally agreed standards as to what constitutes laudable

as opposed to reprehensible and blameworthy conduct.[226] One consequence of this is the difficulty in finding a unified and uncontroversial definition of the discipline.

On the admission, therefore, that any definition proffered is likely to offend someone, I nominate, as my commencement reference, a view of ethics recently suggested by Ciulla. My reason for the selection is not based on an evaluation of her position as optimal. Rather, it has to do with the fact that, in giving this definition, she was doing so explicitly with the topic of leadership in mind. She sees ethics as consisting in "... the examination of right, wrong, good, evil, virtue, duty, obligation, rights, justice, fairness, and so on, in human relationships with each other and other living things".[227] There are two noteworthy features of this interpretation. First, it alerts us to the broad range of coverage embraced by the discipline, introducing some additional variables over and above those flagged above (virtue, obligation, and justice being cases in point). Second, it points to the axial role played by human relationships within the ethical enterprise.

But what of the objection that disciplines besides ethics might lay equal claim to the same notions. Law and religion spring most readily to mind. Consider the case of the former. Questions of what is right or wrong, or what constitutes duty, obligation, individual rights, justice and fairness are encountered regularly in the courtroom. So, how then does one differentiate ethics from law? The answer is a telling one, not just in highlighting the distinction, but more importantly, in providing a significant insight into the nature of the former. Whereas law threatens various forms of codified and institutional punishments (e.g. incarceration for a given period, non-negotiable fines, enforced community work, and so forth), there are no such sanctions in

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[226] The notion of *ethical relativism* concerns itself with precisely this dilemma.

ethics. Rather, whatever 'sanctioning' may occur (and this is probably not the correct word) will be by way of self-recrimination and will result from appeals to reason, conscience or ideals. This does not mean, however, that law and ethics should be viewed as mutually exclusive. I may feel truly shameful and morally remorseful about killing John Doe, but this will not deter the law from exacting its full range of sanctions in retribution for the homicide. Now consider the case of religion. For its part, presenting in whichever of its various denominational guises, it threatens to respond to transgression by way of sanctions from supernatural forces (the wrath of God, the day of final judgement, and so forth). We can say of ethics, therefore, that it has essential grounding in reason, human experience, and the sanction of conscience and reputation rather than external edict and threat. Pojman sums this up as follows:

> ... morality distinguishes itself from law and etiquette by going deeper into the essence of our social existence. It distinguishes itself from religion by seeking reasons, rather than authority, to justify its principles. The central purpose of moral philosophy is to secure valid principles of conduct and values that can be instrumental in guiding human actions and producing good character. As such it is the most important activity known to humans, for it has to do with how we are to live.[228]

Thus far, it is clear that ethics is largely centred in rational or reasoned reflection. But another important component is that of affording equal consideration to the needs, concerns and perspectives of other people to that afforded one's own. In this sense, the conscientious person is one who is "...concerned impartially with the interests of everyone affected by what he or she does". Moreover, such a person is "...willing to "listen to reason" even when it means that his or her earlier convictions may have to be revised; and

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[227] Joanne B. Ciulla, *Leadership Ethics: Mapping the Territory*, in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership*, (Westport: Praeger Publishers, 1998), p. 4.

[228] Louis P. Pojman, *Ethical Theory: Classical and Contemporary Readings*, (Belmont, CA: Wadsworth Publishing Company, 1995), p. 4.

who, finally, is willing to act on the results of this deliberation."[229] Morality seems, therefore, to be essentially grounded in an appeal to reason and sound personal judgement. The morally right thing to do, in any given situation, is determined by what there are the most cogent and compelling reasons for doing. But what of the reality that many of us seem more than capable of exercising consistently poor judgement, even when apparently well intentioned in our motives? This can be answered with the claim that none of us is necessarily stuck in a given level of moral development. Progress towards greater ethical discernment is indeed possible, as we shall see below.

6.32 Selecting from the available options

At a practical level, to be deemed ethically conscious means to have developed the capacity to start by getting one's facts straight. In this sense, it is necessary to bear in mind that facts exist independent of our wishes, desires, preconceptions, mindsets, prejudices, etc. Responsible moral thinking begins when we set all these aside and try to see things as they objectively are. After the facts have been established, ethical choices have to be made. It is at this juncture that we encounter a most, testing question in ethical discourse, namely, What normative position provides the best guide to optimal ethical choice? A more specific example will help to explain this further. Consider the question: Should I take a document marked 'confidential' from a work colleague's desk without first asking her? Ideally the answer can be found by consulting some definitive and non-controversial algorithmic table of normative moral precepts.

This concept can be illustrated by reference to the so-called *Golden Rule of Living*, generally articulated as: "We should do to others what we would want them to do to us". Employing this to the example given would enable me

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[229] James Rachels, *The Elements of Moral Philosophy* (New York: McGraw Hill, Inc., 1995), pp. 13-14.

quickly to answer: "Since I do not want colleagues to take confidential documents from my desk without getting my permission, then I should not take that document." Using the same reasoning, I can theoretically determine whether any possible action is right or wrong. So, based on the *Golden Rule*, it would also be wrong for me to lie, or to harass, victimize, assault, or kill others. The *Golden Rule* is an example of a normative theory that establishes a *single principle* against which we judge all actions. Other normative theories focus on a *set* of foundational principles, such as moral rights to life, liberty, and happiness. What can be said, as a general observation however, is that the fundamental assumption underlying normative theories is their appeal to *one* ultimate criterion of moral conduct, whether it is a single rule or a set of principles.

Unfortunately, philosophers do not agree on what precisely that criterion is. Over the centuries many theories have been offered, each claiming ultimate primacy. Proponents of a given theory often devote as much time and effort to debunking rival positions and they do to enhancing their own. For example, many normative ethicists reject the *Golden Rule* as presented above, using the argument: I am a masochist and, as such, want others to inflict pain on me. Therefore, following the *Golden Rule*, it is morally permissible for me to inflict pain on others. But such a position is clearly flawed, since most persons would hold that it is morally wrong to inflict pain on others. Hence, they would argue, the *Golden Rule* fails as the ultimate criterion of morality.

What can be claimed with some confidence, however, is that in spite of the quantity of normative theories available for consideration, most involve common strategies that can, and have been, classified into three broad categories: deontological theories, consequentialist theories, and virtue theory. A detailed examination of how these generic positions differ from one another would take far more space than that available here. However, a brief

explanatory comment is in order as the doctrine of eudaimonism falls under the third category. Why, then, have I chosen a virtue ethics position over a deontological or consequentialist alternative? This can be answered surprisingly easily, given the complexity of the overall subject matter. Deontological theories, such as Kant's view of moral reasoning, emphasise duty and obligation as focal references in ethical decision-making. Consequentialist theories, as the name suggests, emphasise the consequences of action as the principal determinant of moral choice. The various streams of utilitarianism fall into this latter category, each designating the correct moral choice in a given situation as the one producing the greatest amount of benefit for the greatest number of people.

According to their respective adherents, both the above generic ethical platforms offer one very significant advantage which virtue theory does not. This resides in the fact that each is, in its own way, quite specific about what should be done in a given set of circumstances: Always do what it is your duty to do, urges the deontologist. Always opt for the course of action that produces the greatest quantum of advantage over disadvantage, exhorts the consequentialist. It has to be conceded that virtue theory, in contrast, is much less definitive in respect of its exhortations.[230] In fact, it can be said that whereas deontology and consequentialism focus on duty/obligation and outcomes respectively, virtue theory sees the character of the agent as the principal determinant of ethical choice. Instead of presenting the agent with an injunction as to what to do in a given set of circumstances, virtue theory takes a more circuitous route. It suggests that the person of good character will

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[230] For reasons that will become clear, this objection to virtue ethics is not one that need concern me. In theoretical sparring matches, however, it is a valid objection. The interested reader can refer to a very strident attack on virtue ethics by referring to Robert Louden, *On Some Vices of Virtue Ethics,* American Philosophical Quarterly, 21, 1984, pp. 227-236.

know what to do when presented with moral choices, especially when complex. Moral progress, accordingly, lies in the systematic cultivation of character.

My reason for choosing a broadly virtue ethics platform, therefore, can be stated quite simply. With its emphasis on character and character development, it offers, *prima facie*, the most appropriate solution, given the arguments outlined in the previous chapter. Neither an ethics of duty/obligation on the one hand, nor consequence/outcome on the other, comes close to the broad-based relevance of a virtue based platform.

There is a further reason for choosing a virtue ethics developmental platform within my overall argument. Concepts such as relatedness, connection, community, mutuality, and capacity to give and receive trust have all loomed large in the account of leadership presented up to this point. As we shall see in the next section, virtue ethics more comfortably embraces these than either of the main rivals considered here.[231] To achieve a fuller understanding of precisely why this is so, it is necessary to look more closely at the role of character in virtue ethics. To do this, I will begin with a more specific look at the nature of the latter.

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[231] There is one exception worth noting to the broad claim that a consequentialist platform is not especially suitable to the project of developing psychological maturity. This relates to a situation where intended behaviour modification was a primary focus in the cultivation of PM. A certain strain of behaviorist thinking closes aligns itself with a broadly consequentialist ethic in this respect. However, behaviorism retains very few sympathisers in the contemporary community of organisation development (OD) and human resource (HR) specialists, in this country at least. In the case of potential selection of a deontological position, grounds for such a choice are even harder to contemplate. Only in situations where a general ethic of adherence to codified practice seems in order might one find any obvious rationale for selection of a deontological platform in respect of management training. One may have to look at an extremely specialised application, such as the training of prison supervisors, to find adequate justification. Even then, a compelling counter-argument could still be mounted.

6.4 Virtue Ethics

A useful way of coming to grips with the key concepts in virtue ethics is to begin by tracing its evolution. Historically, virtue theory is the oldest normative tradition in Western philosophy, having its roots in ancient Greek civilization. Greek epic poets and playwrights, such as Homer and Sophocles, paint the morality of their heroes and antiheroes in terms of their respective virtues and vices. Plato believed that an integral part of one's quest for truth lay in understanding the ideal nature of virtues such as justice, piety, and courage.

The earliest and most influential systematic account of virtue theory appears in Aristotle's *Nichomachean Ethics*, a key element of which is his account of the moral virtues in Book two. There he argues that moral virtues are desire-regulating character traits, which lie at a notional mean-point between more extreme positions that constitute the vices.[232] For example, in response to the natural emotion of fear, we should develop the virtuous character trait of courage. If we develop an excessive character trait by curbing fear too much, then we are said to be rash, which is a vice. If, on the other extreme, we develop a deficient character trait by curbing fear too little, then we are said to be cowardly, which is also a vice. The virtue of courage, then, lies at the mean between the excessive extreme of rashness, and the deficient extreme of cowardice. Most moral virtues, and not just courage, are to be understood as falling at the mean between two accompanying vices.

Aristotle illustrates this with the virtues of temperance, liberality, magnificence, high-mindedness, controlled anger, friendliness, modesty, and righteous indignation. He concludes that it is difficult to live the virtuous life primarily because it is often difficult to find the mean between the extremes.

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[232] Specifically, Aristotle provides his account of the moral virtues in Book II of the *Nicomachean Ethics*. I will return to these later in the chapter.

During the later Greek period, Aristotle's account of virtue ethics competed with rival moral theories, particularly those offered by Epicureanism and Stoicism.[233] However, by the late Middle Ages Aristotle's virtue theory was the definitive account of morality. Its position in this regard was entrenched when Aquinas endorsed it. In medieval discussions, the particular virtues described by Aristotle and the ancient Greeks became known as the cardinal virtues. Medieval ethicists added to these the three theological virtues that appear in the New Testament: faith, hope, and charity. With the waning of the Middle Ages and the rise of the Renaissance, the Scientific Revolution, and Enlightenment thought, the influence of Aristotle's virtue ethics declined.

Many would argue that virtue ethics became neglected or ignored in the centuries that followed. However, Schneewind[234] argues that the fate of virtue ethics was not one of neglect, but instead, one of critique, revision, and eventually abandonment in view of newer accounts of moral obligation. For Schneewind, virtue theory met its greatest challenge with the rise of natural law theory, particularly as put forward by 17th century Dutch philosopher Hugo Grotius. For Grotius, morality necessitates conformity of one's actions to moral laws which are fixed in nature, and which even God cannot change. Grotius rejects the role of virtue assigned by Aristotle, and directly criticizes Aristotle's theory on three accounts. First, Aristotle's doctrine of the mean fails to adequately explain basic moral concepts such as truthfulness and justice. Second, in the case of justice, the agent's particular motive does not matter. All that matters is following proper reason with respect to the rights of others. Third, contrary to Aristotle, the moral agent does not have special moral insight

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[233] The details of these rival theories need not concern us here, but their respective merits and shortcomings are discussed at length and with great perspicuity in Julia Annas, *The Morality of Happiness,* (New York: Oxford University Press, 1993). See, in particular, Chapters 5 and 7.

[234] See, J. Schneewind, *The Misfortunes of Virtue,* Ethics, 101, (1990), pp. 42-63.

simply because she is virtuous. Instead, morality is fixed in natural laws that can be rationally perceived by all.

By the 19th century, the 'rule' emphasis of moral theories such as utilitarianism supplanted the character trait emphasis of virtue theory. But within the past few decades there has been a revived interest in virtue theory, owing largely to seminal contributions by Anscombe and MacIntyre. MacIntyre, in particular, argues that today we have only fragments of conflicting moral traditions, and that we need to re-establish the goal or meaning of life towards which ethics is directed. This meaning is established in the context of a moral tradition, particularly one that advocates virtuous character traits.[235]

I can summarise my current position with the claim that, of the broad categories of interpretation of the nature of the ethical, it is the generic domain of virtue ethics, that most closely fits the developmental challenge to be faced in this project. The reason for this resides in its explicit and particular focus on human character, and the benefits associated with the deliberate formation thereof. But the generic domain of virtue ethics itself comprises various interpretive doctrines. It is important, accordingly, to select carefully from among the competing alternatives. One criterion for doing this involves ensuring that as many as possible of one's specific needs are met by the doctrine of choice. In the next section I will argue that Aristotelian *eudaimonism* presents itself as the closest fit for my purposes.

6.5 Aristotelian Eudaimonism

6.51 Introduction

My aim in this section is to show why an Aristotelian conception of *eudaimonism* represents an appropriate pedagogical platform on which to

construct a syllabus for a development programme that aims to increase the ethical effectiveness of those holding managerial leadership roles in contemporary corporate Australia.

Aristotle's *Nicomachean Ethics* is generally regarded as the first systematic treatment of ethics in Western thought.[236] In it, he begins his enquiry into morality with an empirical examination of what it is that humans fundamentally desire. He suggests that every form of human endeavour - practical, theoretical, artistic, et cetera - has a teleological basis: that is, it is undertaken for the purpose of realising a beneficial outcome, commonly referred to as *a good*. Further analysis, he argues, reveals a hierarchical structure to such goods. To illustrate this point he identifies certain human activities which, while valuable for their own sake, are clearly undertaken primarily for the contribution they make to the achievement of some further end or ends.[237]

But within such a hierarchy of means and ends, there must logically be, according to Aristotle, some ultimate good to which all others are subservient and contributive. To identify what this might be, he points to the science of politics, which he takes to subsume all the humanistic disciplines, both practical and pedagogical.

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[235] See, Alasdair MacIntyre, *After Virtue (2nd Edition)*, (Notre Dame, IN: University of Notre Dame Press, 1984), especially pp. 6-23.

[236] The treatment of Aristotle presented here is derived entirely from what he has to say in Books I and II of the Nicomachean Ethics (*NE*). As I am not conducting an exegetical study of this work, I have chosen to refrain from referencing individual points in line with the accepted citation protocol for the *NE*. The text I have consistently used, however, for analysis of the original passages from Books I and II, is *Nichomachean Ethics*, translated by Terence Irwin, (Indianapolis, IN: Hackett Publishing Company, 1985.

[237] In the work organisational context, training programmes too can be examples of this. They can have intrinsic benefit in and of themselves (e.g. a source of intellectual renewal for participants; a welcome break from the normal work routine), but are often undertaken as part of a wider strategic agenda. This could be something like the generation of required

Thus, economics, the science of strategy formulation, rhetoric, ethics, and social philosophy all fall within the ambit of politics. As the end of such a superordinate science must include those of the others, and given that it ultimately promotes the development of fine and just actions, in all aspects of human agency, so its proper end can be taken to be nothing less than the ultimate human good. He concludes his opening teleological discourse with the suggestion that knowledge of the concept is surely useful for those committed to serious reflection on the moral quality of their lives. He offers the *caveat*, however, that one should guard against expecting too high a degree of precision in political discriminations, since political science deals with the human condition, which is inherently unpredictable and indeterminate.[238]

As an adjunct to the discussion of his advocacy of reflective discipline, he makes the point that not everyone has the ability to exercise the discernment needed to arrive at the nature of the ultimate human good. Many men, in fact, lack the ability. The discerning man, in contrast, is one capable of exercising the intellectual acuity and persistence needed to arrive at the hierarchical structure described above. Moreover, once at this point, he will take the further step needed to identify the ultimate good.

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new competencies, or as a contribution to human resource or organisational development initiatives.

[238] It is interesting to note, as an aside, that this particular insight has been largely lost on many of the most influential management theorists of the twentieth-century. At its commencement, as we saw in Chapter 2, Taylor endeavoured to reduce its complexity to so-called 'scientific principles', and this largely set the tone for what was to follow. (See, Frederick Winslow Taylor, *The Principles of Scientific Management,* (New York, NY: Harper & Row, 1915)). A hundred years on, supposedly more sophisticated but apparently no wiser, many leading O&M theorists are still operating out of essentially the same paradigm. The continuing preoccupation is with attempting to reduce both the discourse and practice, of what it is an essentially human interactive enterprise, to considerations of variance analysis, best practice benchmarking, and other forms of inherently non-moral discrimination.

Candidates for the accolade of ultimate good must seek to satisfy two criteria: finality and self-sufficiency. Finality implies that a good must be intrinsically, and not just instrumentally, desirable. By this is meant that it is desirable in and of itself, in contrast to being sought purely as a means towards the achievement of something else. On this basis Aristotle rejects wealth, honour, health, pleasure, intelligence, as candidates for supreme goodness, as they appear no more than platforms upon which some further good can be sought and achieved. He acknowledges, however, that individuals of unrefined sensibility, or limited education, are unlikely to know this, and will thus unwisely choose them.[239] The second criterion, self-sufficiency, demands that the ultimate good be adequate, in and of itself, to make life desirable, worthwhile, and lacking in nothing. To understand this point, it is helpful to reflect on the example of material wealth. Aristotle would argue that it fails the self-sufficiency test, because there are clearly many instances of rich but dissatisfied and unfulfilled people

Thus, Aristotle concludes, men of discernment invariably arrive at *eudaimonia* as the only fully satisfactory choice of ultimate human good. But, he points out, there is a problem. For while men of discernment will readily agree on *eudaimonia* as the only end meeting the twin criteria of finality and self-sufficiency, they tend to have a variety of conceptions as to what constitutes its precise nature. For this reason, more needs to be said.

6.52 *Eudaimonia*: the ultimate human good

Cooper considers that, for Aristotle, defining the nature of *eudaimonia* was to become "... the most important substantive question of ethical

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[239] There is a hint here of the elitism that many consider to be a foundational weakness of Aristotelian thought. I will make further reference to this later in the chapter. The interested reader can, however, find a useful discussion of the matter in Robert C. Solomon, *Morality and the Good Life*, (New York: Oxford University Press, 1993). See, in particular, Chapter 2.

theory".[240] Let us begin by noting that it is often simplistically translated into English as "happiness". However, it is agreed generally by Aristotelian scholars that the Greek word *eudaimonia* carries no direct counterpart in the English language. The latter group, comprising, *inter alia*, such contemporary figures as Cooper, Kekes, Annas, and Solomon, tend towards the view that phrases like *living well* or *faring well* better capture the essence of what Aristotle intended.

According to Cooper, the task of figuring out what constitutes the nature of *eudaimonia* demands attention to two specific challenges. The first requires provision of an adequate explanatory account of its nature and psychology, and the second, identification of the conditions necessary for its achievement. Regarding the former, Aristotle argues that *eudaimonia* is a condition that is, by necessity, grounded in human nature.[241] Moreover, any attempt to penetrate its precise nature must begin with the facts of personal experience.[242] To understand Aristotle's position here, it is necessary to consider briefly the metaphysical commitments underpinning his ethics.

I mentioned earlier that Aristotelian ethics belongs to a tradition, begun by Socrates and advanced by Plato, that stresses both the supremacy of the rational human intellect and the purposive nature of the universe. But within this broad framework, the ethical theories of Socrates/Plato on the one hand, and Aristotle on the other, diverge along clear metaphysical lines. In essence, Aristotle takes issue with Plato's contention to the effect that individual objects are intelligible only in terms of immutable *forms* that exist in and of themselves. According to Aristotle's doctrine, the structures that render objects

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[240] John Cooper, *Reason and Human Good in Aristotle*, (Cambridge, MA: Harvard University Press, 1975), p 89.

[241] It should be noted that herein lies the basis of one major critique of virtue theory in general, and Aristotelian ethics in particular. It holds to the view that there is no such thing as human nature.

[242] In saying this, Aristotle demonstrates a predilection for what has more recently been called a *phenomenological approach* to moral and psychological enquiry.

understandable cannot exist apart from particular objects. Thus, for Aristotle, individual objects represent a unity of a universal, repeatable pattern and a unique matter or form. In consequence, Aristotle rejects the Platonic view that the moral evaluations of daily life presuppose a 'good' that is independent of experience, personality, and human circumstance. Rather, he insists, the basis of morality is immanent in the activities of our daily lives, and can be discovered only through a systematic and reflective study of them. Within this general framework, Aristotle structures his entire ethical theory around the complexly interwoven set of principles here under discussion. Thus, he claims, *eudaimonia* cannot be found in an abstract ideal or form existing independently of human experience. Rather, it should be sought via an understanding of the essential and unique nature of human beings.

6.53 The Aristotelian conception of human nature

In his typically thorough style of scientific-like categorisation, Aristotle holds that human nature can be described by reference to other life forms, in particular, plants and animals. Fundamental to his thesis is the view that the human soul[243] consists in two distinct but interactive parts: the rational and the non-rational, representing respectively our higher and lower functions. Consider the case of non-sentient organisms such as plants. We, as moral agents, share with these a need for nutrition, a dependence on sunlight, and so forth.

In other words, we share with them a *vegitative* and entirely non-rational nature that is demonstrably not uniquely human. Regarding other sentient beings, such as all the species of the animal kingdom, we share with them not only the same vegitative nature enjoyed with plants, but also what

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[243] It should be noted that Aristotle's use of the term *soul* is intended to convey the same sense of meaning as *psyche* in contemporary Jungian psychology. For a concise account of the latter, see John Welch, *Spiritual Pilgrims: Karl Jung and Teresa of Avila,* (New York, NY: Paulist Press, 1982), pp. 66-68.

may be termed a sensitive or *appetitive* nature. Animals, like humans, in addition to feeling pain, are subject to two further psychological forces. The first of these can be termed emotional. They experience, for instance, such emotions as fear, anger and anxiety.[244] The second involves the reality that animals experience desire. The thirsty dog lunges into the pond to satisfy his desire for water. The hungry pony makes her way to the hay shed to satisfy her desire for feed.

In respect of our joint appetitive nature, however, Aristotle identifies a critical difference between animals and humans. He argues that the appetitive nature of the former is purely non-rational, while that of the latter is rational. By this he means that, in virtue of our distinctly human faculty for reasoning, we can exercise control over the satisfaction of our desires. Animals enjoy no such capability. Leading in to his account of virtue and the nature of the virtuous, Aristotle summarises his position thus far with the claim that it is *nutritional virtue* that enables plants, animals and humans alike to satisfy the needs of their jointly held and purely non-rational vegitative natures. But it is *moral virtue* that enables humans to regulate, in a rational way, their appetitive nature. Human nature, however, cannot be distinguished by this alone, as animals share this appetitive drive, albeit in a manner not subject to rational intervention. Something further, then, is clearly needed.

Aristotle locates the missing piece in his account of the contemplative or *calculative* faculty possessed exclusively by humans. This faculty, which expresses itself via *intellectual virtue*, enables us to bring to bear uniquely human abilities such as: (a) the consideration of alternative scenarios, (b) the formation of hypotheses, (c) the contemplation of the future, (d) the

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[244] The fact that we do not know the precise nature of the emotional life of animals is no reason to deny the possibility of its existence. A ten-year-old child can tell when her dog is angry or afraid.

formulation of principles (e.g. scientific), and (e) the ability to reason inferentially.

In summary, let me remind the reader of my earlier suggestion to the effect that, in order to understand Aristotle's conception of *eudaimonia*, one must begin by grasping his idiosyncratic conception of human nature. We can now conclude that the latter resides in our unique ability, as human agents, to exercise the full range of nutritional, moral and intellectual virtues, a capacity not shared by any other form of living organism. Figure 6.1 offers a pictorial representation of this interesting taxonomy.

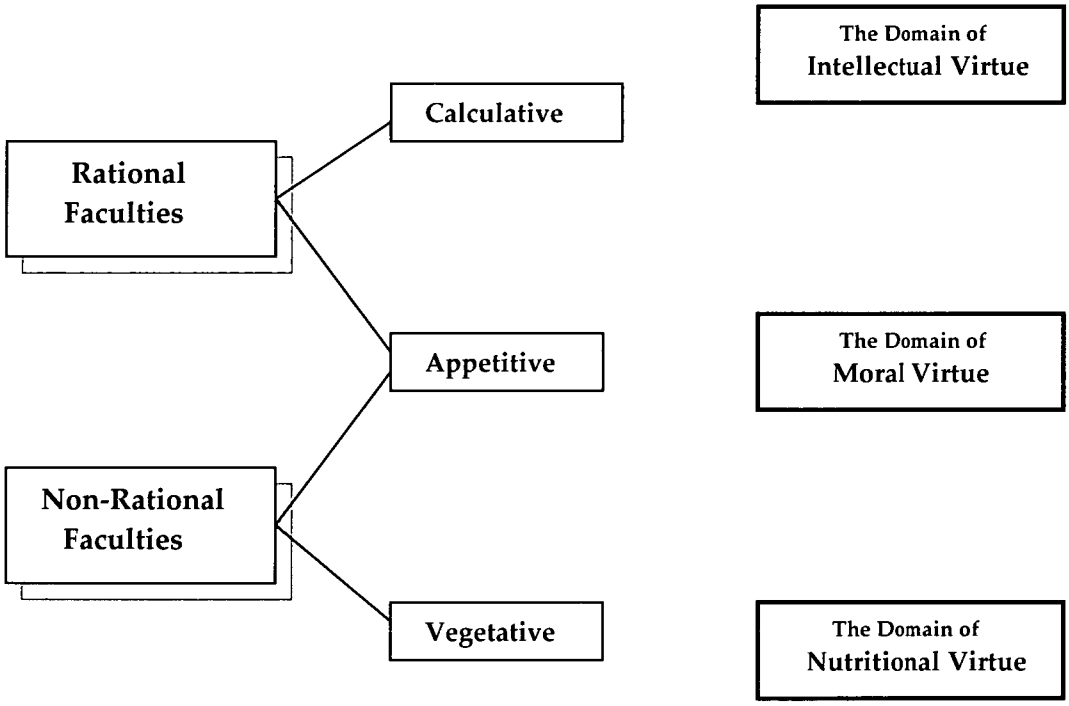

Figure 6.1 **Aristotle's Conception of Human Nature**

6.54 *Eudaimonia* and the doctrine of '*ergon*'

Aristotle defines *eudaimonia* as "an activity of the soul in accordance with virtue". As this definition is central to his wider theory, it is necessary to reflect more deeply on it. The term *eudaimonia* is derived from two Greek words: '*eu*' and '*daimon*'. The former approximates to the notion of *spirit,* in the sense of a spirited or energised propensity to engage with the world. The latter simply means *good*, in the adjectival sense. Loosely then, *eudaimonia* can be translated as the condition of engaging or faring well in life; Cooper uses the felicitous term "human flourishing"[245]. It is helpful, in grasping this, to call to mind the manner in which a lively or spirited participation in life contrasts with passive or apathetic disengagement. Moreover, recalling the earlier reference to what Aristotle meant by *soul*, his alignment of *eudaimonia* with an activity of the soul suggests involvement of the calculative as well as appetitive and vegitative functions.

Perhaps in response to recognising the potentially confusing nature of this picture for his students[246], Aristotle moves to develop further his conception of *eudaimonia* by introducing the doctrine of '*ergon*'. Again, care needs to be taken with the direct translation, which equates *ergon* with *function*. A better interpretation sees it as equivalent to the special talent or excellence that a person displays in doing a specific job well. Thus, the *ergon* of the violinist is the particular excellence she displays when playing well. One can see, accordingly, that what Aristotle had in mind is closer to the idea of 'unique and special capability', than to the notion of role or purpose (the more typical vernacular understanding of the English word 'function'). Thus, "... the function of a good harp player is to play the harp well."

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[245] John Cooper, *Reason and Human Good in Aristotle,* (Cambridge, MA: Harvard University Press, 1975).p 63.

The next challenge involves ascertaining whether the notion of *ergon*, thus understood, is transferrable to the generality of human agency. One can see how it works for harp or piano playing, and by extension, for all other human activities. Is it meaningful, however, to talk about the *ergon* of a human agent *per se*? Aristotle's response is to argue that, for each species of life form, there is indeed a distinctive *ergon* within which its optimal expression will be found. As for the occupational subsets, this characteristic is closely bound up with a specific excellence unique to the species in question. And this is where the above discussion of human nature makes its most telling contribution.

He holds that as a distinctive life form, the *ergon* of a human agent cannot be simply "to live", for such a vegetative capacity we share even with plants. It cannot be simply to move around in time and space, enjoying phenomenological experience of the world, for even animals can do this. Likewise, we share our propensity for appetitive and conative instincts with other sentient beings. The unique hallmark of human agency, he claims, and thus the characteristic excellence out of which is born our distinguishing *ergon*, has two dimensions to it, separate but inter-linked.

The first is our rational intellect *per se*, a non-corporeal faculty which he equates with "soul"[247]; and the second our unique capacity to use this psychic faculty to inform and guide our actions in the world of practical affairs.[248]

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[246] It is important to remember that the *NE* is generally considered to be a transcription of Aristotle's lecture notes, composed by somebody (e.g. his son Nicomachus) other than himself.

[247] While in the contemporary idiom of predominantly Christian-centred Western cultures, the term *soul* has taken on certain theological or religious connotations, this orientation did not figure in the thought of pre-Hellenistic philosophy. What was being alluded to in this dualistic formalism was the distinction between the tangible-material manifestation of bodily function on the one hand, and the intangible, psychical functioning of the mind.

[248] In concluding that the distinctive ergon in human agency is to be rational, Aristotle does not exclude or demean other human capabilities such as physical prowess. Nor is it intended to exclude pleasure (more on this later); indeed, Aristotle is more than willing to

It is a fact, of course, that many individuals do not fully utilise their powers of cognitive rationality; and likewise, not everybody demonstrates the will and commitment to translate rational insight into purposive moral expression. Insofar as agents choose to express their distinctive humanness, and to the extent that they do so well rather than badly, they move to the status of fulfilling their *ergon* in accordance with the excellence or virtue (*arete*) appropriate to it. Thus, for Aristotle, the essential nature of human agency can be divided into two distinct part, what in Figure 6.1 are presented as the Rational and Non-Ration Faculties. Thus, an activity of the soul for Aristotle means a reflective inclination and capacity. It is not, however, just 'any old' activity of the soul, but one "... in accordance with virtue." This in turn raises the problematic matter of the meaning of virtue, which, as Annas points out, is one of the central questions in all of moral philosophy[249].

6.55 Aristotle on virtue and the virtues

Aristotle's final manoeuver in his exposition of *eudaimonia* is to suggest that, of the three categories of virtue shown in Figure 6.1, only two come into play in discussions of human morality. Nutritional virtue is excluded because it is entirely associated with non-rational faculties. In contrast, intellectual virtue is included because it is grounded exclusively in the rational realm. We are left, accordingly, with moral virtue, which, it will be recalled, has both a rational and non-rational grounding. The latter dimension can be excluded because it is shared by other sentient beings. This leaves the rationally grounded component, or more explicitly, the element of human virtue that performs the desire regulating function in the human psyche.

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insist that a person cannot be happy without being (by his standards) relatively rich, handsome and born into an aristocratic family.

[249] Julia Annas, *The Morality of Happiness*, (New York: Oxford University Press, 1993), pp. 3-9.

Regarding the notion of moral virtue, Aristotle makes three key points. The first is to suggest that our ability to regulate desire is by no means a purely instinctive ability. It can be cultivated via habituation or practice.[250] The second involves the claim that the regulation of desire be viewed as a matter requiring judicious consideration. Both over and under regulation can result in moral problems, akin to the idea that too much or too little exercise in the gym can be detrimental to one's physical health. His third point involves the identification of virtue as a disposition to act. This is based on the claim that functions of the soul (or, as we might say, *psychic* functions) can manifest as faculties, as passions or strong feelings, or as dispositions. Virtue, being a function of the soul, must accordingly be one of the three. Virtues are not faculties because these, as should be clear from Figure 6.1, are naturally endowed and, as such, cannot be objects of praise or blame. Likewise passions, as emotional states made possible by underlying faculties, cannot be praise or blame worthy. By elimination, he concludes that virtues are dispositions, or states of character. (Annas, in fact, defines a virtue as " ... a disposition to do the right thing, in various areas of life, and to have the right feelings and emotions about it.")[251]

6.56 The doctrine of the 'mean'

With this understanding of moral virtue duly in place, Aristotle moves to his account of *the doctrine of the mean*, what many commentators consider the centre-piece of his ethical theory. According to this, we regulate our desires by reference to a notional mid-point on a *vice-virtue-vice* continuum. In locating this mean position, and by acting in accordance with its dictates, we can demonstrate a particular virtue.

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[250] In Book II of *NE*, he tells us that intellectual virtues (such as the capacity for contemplative thought) come into existence and develop as the result of teaching, and need the benefit of experience and time to mature. Moral virtues, in contrast, are the result of habituation, and involve conformity to rational principles.

[251] Julia Annas, op. cit., p 93.

Consider, for instance, the important virtue of courage. According to Aristotle, courage is to be found somewhere on a continuum that has reckless abandon or rash behaviour at one end, and cowardice at the other. Thus, the virtue can always be found between a generic vicious expression of excess and a corresponding generic vicious expression of deficiency. However, judicious contemplation is needed on the part of the agent to pinpoint the region in which the virtue resides. Moreover, the region itself is not locatable via any set of determinate coordinates. It varies from situation to situation and from individual to individual. With this in mind, Aristotle suggests that virtue tends to rest where a "prudent man", or a man of practical wisdom (*phronesis*), would determine it to be.

In addition to providing a list of twelve virtues, each representing a mean between two vicious extremes, Aristotle sees fit to offer various other explanatory comments. Four of these are especially noteworthy from my perspective, relating respectively to his thoughts on (a) justice, (b) the importance of high-mindedness, (c) moral insight, and (d) taking a *whole-of-life* perspective. Let us consider each briefly in turn.

6.561 Justice

Justice does not appear as a moral virtue on Aristotle's list. This, however, should not be taken as either oversight or indication perceived insignificance. Instead, Aristotle devotes special treatment to justice, considering it to have relevance in both a general and a specific way. In respect of the former, he likens justice to observance of the law, and as such, considers it similar to a virtue. It differs, however, in the following way. While virtue is conceptually an abstract disposition to act in a certain way, justice constitutes its application in practical dealings with other people. Accordingly, in order for me to demonstrate specific virtues like courage, temperance, and

friendly civility, I must by definition be acting in a just way when relating to others. Turning to the specific interpretation, Aristotle argues that justice manifests itself as either *distributive* or *corrective.*[252]

While the former determines the relative distribution of honours and rewards in consequence of the merit of the recipient, the latter involves some arbitrary balancing of advantage and disadvantage between parties when injustice is seen to have occurred. Aristotle's conception of justice, as presented here in outline, certainly leaves itself open to the objection of being overly vague and not adequately prescriptive. But against this can be said that in making the two sets of distinctions (between general and specific forms of justice, and between the distributive and corrective dimensions of the latter), Aristotle demonstrates his penchant for a common sense approach to morality. His treatment seems to suggest the need to recognise that, as an absolute ideal, justice is morally fine but somewhat impractical. But in its specific manifestations, where practical questions of reciprocity and/or retaliation need to be considered, then justice needs augmentation by other considerations associated, perhaps, with virtues such as equity and fairness.

6.562 High-mindedness

Within Aristotle's ethics, the virtue of high-mindedness assumes a certain significance, which, because of its relevance to my overall argument, deserves mention at this stage. Aristotle, by all accounts, did not always find it easy to select a word to cover the virtue located at the mean between two vices. So it was with high-mindedness, which on its English translation, is certainly a cumbersome term. According to his conception, it lies between the

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[252] It is noteworthy that, in making this distinction, Aristotle was to establish a sort of intellectual template for has followed on the topic of justice over the intervening two and a half millennia.

vice of deficiency called *humble-mindedness* and that of excess called *vainglorіousness*.

Semantic considerations notwithstanding, the notion he had in mind is a significant one. Persons possessing this virtue are individuals with an appropriate amount of self-respect and self-esteem. They place value on their own personhood in a way that transcends any notion of mere role-identification or other forms of egocentricity. Part and parcel of what high-mindedness entails is a certain autonomy of consciousness on the part of individual agents that enables them to be appropriately motivated in respect of their ethical discriminations. Let me illustrate this point by drawing on a specific incident from the Agritest study discussed in Chapter 3.

Dr John Doe was a senior scientist in the company, and Department Head within the organisational structure. As such, he was of middle-rank in terms of formal authority and influence. Informally, he was seen as a "mover and shaker" within the Agritest culture, and someone who regularly played the role of maverick. He would, for instance, often take a controversial position on an issue in a manner considered 'courageous' by subordinates and peers. His slightly arrogant attitude was generally excused on the basis of the claim, "We need guys around here who are prepared to stand up and be counted". Other admirable qualities he regularly displayed, such as decisiveness and an abundance of energy, were considered to outweigh his day to day tendency to be overly autocratic with subordinates and overly belligerent with colleagues. In general, it would be fair to say that he was considered a courageous figure within the prevailing corporate mythology, with courage being defined in the Aristotelian manner, namely, as the virtuous mean between rashness and cowardice. On first blush, then, Doe was virtuous, at least in respect of his courageous disposition. My claim, however, is that he would receive a harsher appraisal from Aristotle than from his colleagues. The reason is that Aristotle

would most likely judge him to be lacking in adequate high-mindedness; in Doe's case, tending towards vaingloriousness.

The latter stages of my work at Agritest involved the design, development and implementation of a programme aimed at cultivating self-awareness levels among those in managerial roles. As the detail of this will be described in the Epilogue, suffice to say, for present purposes, that participants were inducted into the programme via participation in a structured process of self-assessment of individual motivational structures. Depending on which model one is employing, the latter can be determined via processes of critical introspection.[253] John Doe participated in the programme, in conjunction with a group of fourteen colleagues. During his de-briefing process, he admitted to possessing a motivational structure shaped largely by the need to avoid emotional vulnerability. In the low to average levels of psychological maturity (or *emotional intelligence* as it was described in Chapters 3-4), this need often manifests as a compulsive drive to exert control over one's immediate environment. In the managerial context such an environment invariably involves, *inter alia*, other individuals.

Again emphasising a focus on the lower levels of psychological development, it can be seen that much of Doe's behaviour that was interpreted as courageous in fact represents a compulsive tendency to get one's own way, to be seen to be in charge, even to strike fear into others. It is, in effect, a form of compulsive behavioural over-compensation employed, albeit unconsciously, to mask[254] a vulnerable emotional interior world.

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[253] The models in question, of which (a) the Myers-Briggs Type Indicator and (b) the Enneagram, are examples, do not restrict themselves to evaluation of motivational structure. They can be used, with equal validity, for assessing other psychological variables that determine human difference and diversity.

[254] It is interesting to note that the Latin word for mask is *persona*, from which 'personality' is derived.

Viewed from this perspective, Doe's *prima facie* displays of courage seem more compulsive than virtuous. The 'arrogance' often seen, but excused, in Doe's behavioural profile was, on this view, a reflection – albeit a subtle one - of the vice of vaingloriousness manifesting itself. Aristotle would have noticed this and would, in consequence, have deemed Doe to be in possession of an inadequate level of high-mindedness. And while this would have signalled, in and of itself, a lack of that particular virtue, it would also have served to call into question the motivation behind other virtues overtly displayed by him, for instance, his courage.

6.563 Moral insight

Aristotle was greatly concerned, perhaps even to a more pronounced degree than many of his successors in Western philosophy, by the connection between moral evaluation and action. While his views on the topic are not always easy to unravel, there is a certain insight that can nonetheless be gleaned. It can be briefly outlined in the following terms. Some, perhaps most, of our moral sentiments are the result of involuntary participation in a given moral tradition. Thus, for instance, in John Grisham's insightful novel, *The Painted House*, we can see that the personality of young Luke Chandler, at only seven years of age, has already been significantly shaped by Southern Baptist morality. Not all our moral sentiments, however, derive from this sort of involuntary early socialisation. Many are shaped by habitual experience, which itself results from particular perceptions reinforced over time. According to Aristotle, it is the function of reason to, (a) apprehend and (b) organise, these perceptions. But reason (or understanding) alone is never enough to motivate action. Nor is it ever simply a matter of volitional impulse alone. Instead, action is prompted either by intellect acting on volition or vice versa. Put more simply, our choices and actions are motivated either by reason stimulated by desire, or in virtue of desire guided and moderated by

understanding. For Aristotle, it is the latter that tends to be the hallmark of moral action.

Indeed, his position on this point is further reinforced when freedom of will is taken into consideration. This kind of personal freedom applies to both virtuous and vicious choices and actions. According to Aristotle, the morality of our actions is mitigated only when the latter are involuntary. But, they are involuntary only when forced on us by others. In contrast, they are voluntary when the originating motivation resides within our selves.

Herein lies the important link to the John Doe anecdote relayed in the previous section. By Aristotle's lights, Doe is morally bound by his actions, even when they are driven by compulsive motivational forces outside of his conscious awareness. Ignorance of one's inner world is no excuse for immorality. For adults, if not for seven-year-old children, morality is ineluctably tied in to critical self-awareness. It is part of the challenge of moral development to learn more about our inner worlds, a project for which we are each individually responsible.

6.564 Aristotle's holistic perspective

In his conception of what constitutes a flourishing life, Aristotle makes the point that a final decision can really only be reached with the benefit of reflective evaluation of one's life as a whole. Taking this to its logical extreme suggests that the ultimate evaluation can only be made at the end of one's life. Among other inconveniences, this makes it impossible to nominate the precise time when the evaluation can be made, save in the case of premeditated death by one's own hand or that of a willing collaborator. On the Aristotelian view, an obvious implication of all this is that *eudaimonia* should not be equated with episodic bouts of felt happiness or contentment. There is more to it than emotional gratification.

Another implication involves his viewing the nature of the flourishing life as more aligned with the journey than the destination. Herein lies a paradox in his ethical thought, however. On the one hand, there is an ultimate end, namely, living or faring well. In terms of the metaphor just mentioned, this can readily be identified with 'being on the journey', or more precisely, the savouring thereof. On the other hand, the value of the journey can only be properly assessed once one has arrived at the destination.

The question can reasonably be asked, then, as to what purpose such an abstruse formulation might serve. I believe a plausible answer lies in the claim that Aristotle is here signalling his commitment to what nowadays would be called a holistic perspective, or, 'the helicopter view'. In the context of his discussion of *eudaimonia*, he is suggesting the need to stand back from one's life and, from a position reminiscent of Spinoza's notion of "*sub specie aeternitatis*"[255], to examine it in overview. But in a wider context there is at least the possibility that he is drawing his students' attention to a more general lesson. This is the view that in respect of matters of moral evaluation and judgement, the act of stepping back to consider the broadest feasible range of possibilities, represents the prudent course.

6.6 Closing the Argument

6.61 Objections to Aristotle

There are a number of reasons why a direct appeal to Aristotle's ethical theory represents a problematic choice for inclusion in the *syllabus* platform here being considered. Two in particular are worthy of mention, as either could potentially bring a project to its knees, in credibility if not substantive terms. The first involves the criticism that much of Aristotle's thought is built around a fundamental worldview that is unabashedly both sexist and elitist. He was, of

[255] This translates from the Latin as, "from the eternal perspective"

course, a child of his times, and lived within a polity that not so much promoted these values as remained in ignorance of their inappropriateness. But, would-be detractors will argue that this is all the more reason why someone of his intellectual standing should to be indicted. He, above all others, they suggest, should have known better. In any event, and notwithstanding the hypocritical overtones, many in contemporary corporate Australia would claim to find an Aristotelian association objectionable on purely these grounds.[256]

A second objection that can be levelled at Aristotle's moral theory, and one that must be faced by most expressions of virtue ethics, concerns its allegedly non-prescriptive nature. In particular, those more comfortable with the black and white morality of deontological formulations, the algorithmic nature of consequentialist theories, or the formulaic orientation of contractarian systems, often charge Aristotle with being too ponderous. They allege that he dithers on the subject of precisely how one should arrive at ethical discriminations and judgements, in particular concrete situations. My concern in this regard is associated with a prevailing *objectivist* mindset, still quite common in Australian management circles, which holds that all business concepts must be clear-cut, measurable, and capable of easy translation into unambiguously prescriptive guidelines for action. (It needs to be pointed out, however, that while the corporate cultural overlay reinforces this, many Australian managers, in virtue of their over-riding 'Australian-ness', will tend to fly in the face of cultural or other mandates almost as a matter of course. A respectful attitude to authority – social, organisational, religious, political – is

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[256] The reader should note that there is what I call a reasonably vibrant "pseudo-intellectual lobby" in present-day Australia, and it has its fair share of adherents in the corridors of corporate decision-making. These are typically people who maintain a superficial level of knowledge about a range of topics, but are ready to use it at every opportunity to de-bunk the views of others. They, of course, are typically less knowledgeable on their topics of choice than they let on to be. In the corporate world, this group most notably includes those managers who consider all academics to be merely charlatans, and out of touch with the 'real world'.

not a deeply ingrained feature of the Australian psyche, no doubt due to our colonial past.) [257]

Not content with a focus on the genuinely technical dimensions of business management (e.g. double-entry accounting principles), these 'Taylorists' generally want to push their paradigm further. It is not uncommon for them to seek out formulaic solutions to such notions as personal motivation, team building, conflict resolution – in fact all aspects of leadership as presented in the Figure 5.1.

6.62 Summarising the case for *a eudaimonistic platform*

In anticipation of the potentially deleterious effects of having to deal with either or both of these two objections, I am inclined to avoid explicit appeal to the ethics of Aristotle *per se* in respect of the detail to be included in the syllabus structure. For that reason, I will turn to a contemporary interpretation of eudaimonism in the next and final chapter, albeit one that has its roots firmly within the Aristotelian tradition. In the meantime, it is appropriate to close off the present chapter by summarising and confirming the reasons why the broad syllabus structure can appropriately be grounded on a foundation of Aristotelian eudaimonism. While it is tempting to launch into a long and thorough explication of the reasons, for purposes of brevity I will restrict myself to a simple enumeration of five key points, all canvassed, one way or another, in the foregoing paragraphs.

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[257] I believe this is due, at least in part, to the enduring legacy of several centuries of 'Enlightenment thinking' in the Western world. It found its first major socio-economic expression during the period of the Industrial Revolution. But its major boost came in the early part of the twentieth century, when Taylor attempted to reduce the managerial enterprise to a series of scientific principles. Despite a theoretical rejection of *Taylorism* by the middle of the last century, many vestiges of this form of thinking still prevail. See, Frederick Winslow Taylor, *The Principles of Scientific Management,* (New York, NY: Harper & Row, 1915).

First and foremost, of the available generic ethical systems, a virtue ethics platform is clearly most relevant to my requirements, given the identification of character as the key developmental focal point for pedagogical and syllabus design purposes. We also saw that much of the Aristotelian corpus, as described in the first two books of the *Nicomachean Ethics*, presents not only a series of relevant factors for consideration, but does so in the sort of systematic formalism favoured with the prevailing corporate idiom. Given that eudaimonism is a doctrine within virtue ethics, and given that Aristotle was arguably the first major eudaimonist, then a solid case is clearly present.

Second, the Aristotelian eudaimonistic tradition was seen to place emphasis on individual moral responsibility, in the sense of requiring agents to engage in critical self-reflection for the purpose of arriving at appropriate moral discriminations. Again, this orientation fits much more comfortably within the Australian corporate idiom than one primarily appealing to rules, injunctions, or algorithms. Not only that, but the emphasis on individual responsibility-taking is surely a more powerful pedagogical device than its logical alternatives.

Third, and allied to the emphasis on critical self-reflection, eudaimonism was also seen to favour a holistic perspective. For Aristotle, the quality of individual moral decisions is best viewed in the context of the bigger picture of one's life and circumstances. This fits comfortably with an understanding of corporate leadership responsibility that requires attention to the valid interests, concerns, and expectations of a wide variety of legitimate stakeholders.

Fourth, the eudaimonistic emphasis on the cultivation of a virtuous disposition, and on the need to act virtuously to the point of habituation, is again a factor not only compatible with the cultural expectation of Australian corporate life, but one likely to reinforce the emphasis on individual responsibility-taking. Moreover, in so far as the issue of 'ergon', and indeed

related doctrines, bears upon the desirability of movement to self-actualisation, and the achievement of excellence as a person, this again presents as an appealing feature when the issue under consideration is a leadership development programme.

My fifth and last point relates to a notion that was seen to lie right at the core of Aristotelian eudaimonism, namely, the exhortation to act virtuously in consequence of one's moral evaluations and judgements. This is a crucial syllabus point, given that many of the potential 'students' will live and operate in corporate cultures where displays of *akrasia* and ethical incontinence are often the norm rather than the exception. Therefore, a development programme that draws attention to the crucial linkages between evaluation, judgement, and action, is indeed appropriate.

In closing off this chapter, I should draw attention to the fact that my selection of an Aristotelian platform for corporate application purposes is not original. Solomon, for instance, covers broadly similar ground in his treatment of the role Aristotelian thinking can play in illuminating the wider domain of business ethics.[258] Hartman, for his part, offers an interesting set of perspectives in respect of how the fostering of organisational culture and community can be leveraged by adopting a eudaimonistic perspective.[259] Werhane, too, shows similar sympathies, especially in her advocacy of the

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[258] Especially noteworthy are his "six parameters of Aristotelian ethics", which, while not exactly the same, are not dissimilar to my own treatment in this chapter. See, Robert C. Solomon, *Ethics and Excellence: Cooperation and Integrity in Business*, (New York: Oxford University Press, 1993), pp. 145-190.

[259] See, Edwin. M. Hartman, *Organizational Ethics and the Good Life*, (New York: Oxford University Press, 1996), especially pp. 143-165

importance of character development as it bears upon the propensity for improved judgement on the part of corporate decision-makers.[260]

[260] See, Patricia H. Werhane, *Moral Character and Moral Reasoning,* in Donaldson, Thomas J., and Freeman, R. Edward (eds.), *Business as a Humanity,* (New York: Oxford University Press, 1994), pp. 98-106.

Chapter 7

Syllabus Structure: *The Key Particulars*

7.1 Introduction

7.11 Aim of the chapter

In Chapter 6 I argued for selection of a eudaimonistic ethical platform within the broadly Aristotelian tradition of the virtue ethics. I stopped short of endorsing the precise detail of Aristotle's own framework, because certain aspects of his thought are out of sync with contemporary Australian cultural sensibility. The arguments in Chapter 5 also made clear the need to provide a robust normative account of the relational interactions between emotional intelligence, deliberate character formation, and the advancement of individual self-awareness. I suggest, in consequence, that what is needed to complete my overall argument is a contemporary formulation of Aristotelian eudaimonism. Drawing on recent work by John Kekes, my aim in this final chapter is to offer such a formulation in its key particulars.

7.12 Background note

Virtue ethics has in recent times re-emerged from a long period of dormancy in Western philosophy. A number of authoritative contemporary thinkers have brought it back into the foreground of moral discourse, among them McIntyre, Annas, Cooper, and Solomon, to name but some. But while most recent discussions of virtue ethics have, either directly or indirectly, considered the contribution of Aristotle to the development of eudaimonism, one, in particular, has done so in a manner of particular relevance to my overall argument. In *Moral Wisdom and Good Lives,* Kekes says that while there are several versions of eudaimonism, his is "... Aristotelian, but not Aristotle's".[261]

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[261] John Kekes, *Moral Wisdom and Good Lives,* (Ithaca, NY: Cornell University Press, 1995), p. 2.

Moreover, the contemporary nature of his interpretation is reflected in the claim that his account presents a version of eudaimonism that is "... secular, anthropocentric, pluralistic, individualistic, and agonistic."[262]

Of greatest interest to my enquiry, however, is the manner in which he elevates, to front and centre, the specific human function of desire-control as a means towards the cultivation of deliberate character. In fact, in the remainder of this chapter I will show how control of this type plays a seminal role in the cultivation of ethical competence. I will show, further, how achieving greater levels of control and how they is in turn dependent on a capacity for 'critical eudaimonistic reflectiveness'.[263] To lay an adequate foundation for a later discussion of the concept of control, it is first necessary to pick our way through some points of detail, where the devil often lurks.

In everyday language we talk of the need for self-control, emotional control, impulse control, et cetera. In this loose form of usage, what we are implying is that it is a good thing for individual persons to be able to demonstrate a certain form of restraint over their attitudes and behaviours. But we are rarely specific about either the precise degree of restraint that is intended or that over which the restraint is to be exercised. Kekes, for his part, is by no means vague in respect of these questions. He considers the process of control of the self, in so far as it bears upon human character and circumstance, as explicable only in terms of an understanding of the relation between five key variables. These are our desires, capacities, opportunities, values, and corresponding actions.[264]

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[262] Ibid., p. 2.

[263] The formulation of the detailed syllabus structure that follows draws heavily on Kekes' recent interpretation of *eudaimonism,* as presented in two works: (a) *The Examined Life* and (b) *Moral Wisdom and Good Lives.* But I wish to make clear that, in a manner reminiscent of his own suggested relation to Aristotle's work, the detailed syllabus structure that follows may be termed '*Kekesian*' but not Kekes'.

[264] Ibid., p. 116.

Moreover, in line with his general eudaimonistic commitment, he views the interplay of the five variables as meaningfully interpretable only by reference to a well thought out conception of what it means to live a good life. He goes on to say that one of the benefits associated with a eudaimonistic point of view is realisation of the need to bring these patterns from the background to the foreground of our consciousness. Once there, we can begin the process of articulating them in terms of three subsidiary capacities. The first is an ability to describe a given desire currently operating in one's consciousness. The second concerns how and to what extent the individual is assessing and managing the impact of that desire on her emotional and motivational responses, deciding in effect either to reject or satisfy it. The third relates to the manner in which she responds to opportunities that come her way to satisfy the desire. In order to see how these and other ideas from the Kekesian formalism combine ultimately to shape our detailed syllabus content, it is necessary to spend some time examining, in more detail, the nature and meaning of eudaimonistic control.

7.2 Control

7.21 Restraint and desire satisfaction

Kekes argues that having the ability to exercise restraint over one's character and circumstances is central to any defensible conception of what it means to live a good life. Demonstrating the kind of systematic attention to detail that renders his style suitable to the corporate idiom, he goes on to say that restraint exercised in this manner depends on five conditions. These relate respectively: (a) having a desire, (b) having the capacity to satisfy it, (c) having the opportunity to do so, (d) favourably evaluating that desire, and (e) reaching a decision to satisfy it, in consequence of having undertaken adequate

evaluative reflection.[265] I will expand briefly on the interplay of these variables by way of an illustration.

In order to acquire a PhD in philosophy, a prospective candidate needs to have the desire to achieve the award. The desire may, in turn, be grounded in a variety of underlying motivations (e.g. to teach at a university, to get a certain type of job, et cetera). Assuming the desire is there, then capacities come into the equation, which can be thought of as falling into two broad categories. The first comprises those with which the aspirant was born, for instance, an innate cognitive ability. If my IQ is 75, then desire and capacity in respect of achieving a PhD will diverge; I will simply not have the intellectual wherewithal to handle the required conceptual challenges. The second category involves those capacities the candidate will have developed along the way. For instance, though naturally a somewhat indolent and laid back fellow, I have learned that in order to get what I want, hard work, diligence, and persistence are needed qualities.

Next comes opportunity, which in this example may include such things as access to a university with a philosophy school, or access to the necessary funds to pay tuition fees and other subsistence costs. Likewise the opportunities that present themselves fall into two categories. There are those that are purely serendipitous, such as when I strike up a conversation in a bar with a stranger who, during the course of the ensuing discussion, offers me a job for which he adjudges me a suitable candidate. Then there are those towards which I have made some sort of premeditated contribution. Such would be the case if someone had tipped me off that the stranger in the bar had a job to offer in which I might be interested, and in consequence of the tip, I had strategically positioned myself so as to fall into conversation with him.

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[265] John Kekes, *Moral Wisdom and Good Lives*, (Ithaca, NY: Cornell University Press, 1995), p. 96.

In doing this, I would have 'made my own opportunity, so to speak.

The next component involves favourable evaluation of the desire. Evaluation of this type can be undertaken either formally or informally. A formal process might involve something like a systematic analysis. In the context of my original example, during such an analysis the candidate will attempt to measure anticipated benefits (e.g. in terms of prospective future income generation) against predictable or estimable costs. In contrast, an informal process might involve something like the candidate having nothing more than a 'strong intuitive feel', engendered over a number of years, to the effect that having a PhD would be a really worthwhile thing at this stage in one's life.

Related to the evaluation process is the final component, reaching a decision to act in consequence. The best way to come to terms with the relevance of this last component is through considering its absence. Without the decision to take action in respect of enrolment application, payment of fees, commencement of studies, and so forth, the previous four components will not of themselves have resulted in any movement towards satisfaction of the desire.

While this outline presents a plausible account of how the five components fit together in an overall matrix of desire satisfaction, it fails to give an adequate explanation of precisely why certain desires ultimately translate themselves into decisions to act in pursuit of their satisfaction. To achieve this, we need to take a closer look at the forces at play.

7.22 Anatomy of human desire

Kekes describes the generic category of human desire as consisting in a complex interplay of factors, including wants, needs, drives, motives, decisions,

acts of will, aspirations, inclinations, and so forth.[266] To unravel both the psychological and ethical implications of the interplay of these various eclectic constituent forces, perhaps a useful commencement question relates to why particular desires manifest themselves during the course of our lives. In considering this, I begin with the claim that reasonable persons, if pressed, will concede that they desire to do, acquire, or accomplish things because the effort, acquisition or accomplishment is expected, in some way, to contribute to making life better. Both common experience and even the most basic grasp of Aristotelian eudaimonism both support this claim.

The concept of a human life 'becoming better', of course begs a more fundamental question, namely, What constitutes a good life to begin with? Let us begin to answer this by considering the *prima facie* plausible proposition that what moral agents consider the elements of a good life, intimately bears upon those specific goods, which they consider most valuable.

The subject of human values is a widely canvassed one in moral philosophy, largely because of its centrality to the overall discipline. While it is not necessary for present purposes to engage in a detailed exegetical review, it is important to lay out an interpretation of values commensurate with (a) the principles of eudaimonism to which I am now committing myself, and (b) the need for sensitivity to the corporate idiom.

Gini tells us that values are "... the ideas and beliefs that influence and direct our choices and actions".[267] Two insights can be gleaned from this simple but accurate account. First, values are not necessarily positive, affirming and uplifting commitments. They may variously be considered good or bad, right or wrong, tenable or untenable, sensible or not so sensible. I may firmly believe

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[266] Refer to John Kekes, *The Examined Life,* (University Park, PA: Pennsylvania State University Press, 1988), pp. 18-20.

in the superiority of my particular race or ethnic group and be committed, in consequence, to a policy of ethnic cleansing. Similarly, as a corporate manager, I may firmly believe in a totally autocratic style, and in consequence make decisions without consultation with or undue consideration for others. The fact that the vast majority of my colleagues and subordinates may believe, with equal conviction, in a democratic style, does not invalidate the actuality of my commitment. (I will return to this point later.)

The second insight to be gleaned from Gini's definition relates to the possibility of values being motivational, that is, they prompt action. They need not, but they often do. I may believe in the superiority of my race but never undertake any specific action in consequence of that belief. This, however, while theoretically possible, tends to be unusual. Referring to the other example, it would be highly unlikely that autocratic managers would or could hide such a commitment on anything other than an occasional basis.

Philosophers tend to fall into one of two camps when it comes to the moral appraisal of values. Hedonists consider pleasure to be the only thing that is essentially good and worthwhile, in and of itself. Among this group, one sub-category equates all pleasure with sensual stimulation, while another takes a broader perspective; they equate it with satisfaction or enjoyment, which may or may not involve sensuality gratification.

The second camp, comprising what we might refer to as pluralists, generally admit pleasure (in at least one of its guises) as a value, but consider it just one item on a long and indeterminate list. The list may also include such things as knowledge, beauty, freedom, friendship, moral rectitude, good character, health, and so forth.

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[267] Al Gini, *Moral Leadership and Business Ethics,* in Joanne B. Ciulla, (ed.), *Ethics: The Heart of Leadership,* (Westport: Praeger Publishers, 1998), p. 36.

A further attempt at categorisation involves differentiating extrinsic from intrinsic values. Taylor, for instance, employs this system, suggesting that extrinsic values include goods with purely instrumental, contributive or inherent value, such as (a) a key, (b) a computer, or (c) Mozart's Fifth Symphony respectively. Intrinsic values, in contrast, have worth in and of them selves, and can be either hedonistic or non-hedonistic.[268] Sexual pleasure would be an example of the former, and health the latter.[269]

One further distinction sees values viewed as either objective or subjective. Objectivists assert that we value and desire the good because it is good. The classic formulation of this position can be found in Plato, who viewed the ultimate good as the highest *Form* or *Idea*.[270] A more recent objectivist account was provided by Moore, who believed in the independent existence of values apart from rational human interest in them. For him, the 'good' is a simple, unanalysable quality like the colour yellow, which can be known to humans only via intuition.[271] Subjectivism, in contrast, views values as no more than products of conscious desire. On this view, value only comes into existence in response to human want, and any given value is valuable just to

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[268] Richard Taylor, *Value and the Origin of Right and Wrong*, in Louis P. Pojman, *Ethical Theory: Classical and Contemporary Readings*, (Belmont, CA: Wadsworth Publishing Company, 1995), pp. 132-138.

[269] It should be noted, in respect of the extrinsic versus intrinsic differentiation, that further complications can arise. So called 'foundationalists' argue that all values are either intrinsic or derived from intrinsic values, while 'coherentists' claim that all intrinsic value emerges in the relationship of the extrinsic parts one to another, resulting in an overall coherent whole, which is a happy life.

[270] Plato, *The Republic*, translated by H. D. P. Lee, (London, UK: Penguin Books, 1960).

[271] The account referenced here is extracted from *Principia Ethica*, and can be found in G. E. Moore, *Non-Naturalism and the Indefinability of the Good*, in Louis P. Pojman, (ed.), *Ethical Theory: Classical and Contemporary Readings*, (Belmont, CA: Wadsworth Publishing Company, 1995), pp. 406-411.

the extent that it is wanted or desired. Moreover, subjectivists typically do not make normative claims about what constitutes a 'proper' want or desire.[272]

In addition to philosophical debate on the relative merits of the three distinctions outlined above, philosophers also ask certain metaethical questions. Among these are whether right and wrong, goodness and evil, are themselves intrinsic values, or whether such ethical categories are defined through relational roles they play in advancing other non-moral values such as health, political stability, civic harmony, and so forth. For example, Taylor suggests that ethical principles are based on what agents value, and that 'desire' is the measure of such valuing. Morality, in consequence, is no more than a set of principles and practices that have evolved into public acceptance, in virtue of a long history of individual agents simply taking care of their own individual interests.[273] This, however, is but one view, and it that need not be debated here. For my purposes, I consider if sufficient simply to acknowledge the relevance of questions dealing with the relationship of value to morality.

Getting back to the specific challenge facing me, namely, the appropriate positioning of values within a detailed syllabus structure, the question that needs addressing relates to what precisely should be said on the topic. Bearing in mind the above introductory comments, and remembering the need for idiomatic sensitivity, my response is to offer an account that views the concept of values as a moral psychological rather than purely moral construct. The reason for this resides in the fact that the Australian organisational community, especially over the past twenty years, has become culturally

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[272] This contrasts with some objectivist accounts, which do make normative claims. For instance, Thomas Nagel in *The View from Nowhere,* (New York, NY: Oxford University Press, 1986).

[273] Richard Taylor, *Value and the Origin of Right and Wrong,* in Louis P. Pojman, *Ethical Theory: Classical and Contemporary Readings,* (Belmont, CA: Wadsworth Publishing Company, 1995), pp. 132-138.

sensitised to the language of psychology, and in particular, to the necessity of addressing managerial problems through that conceptual medium.

Learning to differentiate belief statements from value judgements is one way of coming to terms with the nature of value. In general, we can say that the former refer to what is possible, what exists, what happened in history, what a person is, what she can do, and so forth. As Scheibe says: "They are framed in terms of expectancies, hypotheses, probabilities, assumptive worlds, cognitive maps, and so on."[274] The latter refer to what is wanted or desired, what is considered best, what is preferable, what ought to be done or not done. In this respect, they suggest, according to Scheibe, "... the operation of wishes, desires, goals, passions, valences, or morals."[275] Thus, we might say that it is easier, or perhaps safer, to attempt to argue facts than to argue values. (In response to my claim that Auckland is the capital of New Zealand, you can reach for your atlas and readily demonstrate that I am incorrect. But to get me to relinquish my passionately held feeling that Auckland is the world's finest city, and therefore deserving of being its nation's capital, you may find that far more is needed than an appeal to evidence or rational argument.) Facts exist independently of how we feel about them, but values are generally emotionally resonant. As Scheibe puts it: "Values are contextual occurrences in that they depend upon a variety of internal conditions, external stimulus configurations, and response options. They are relational in that they represent a relationship between the valuing person and the valued object."[276]

One of the reasons why an understanding of the nature of values is so important to my project involves the role they play in conceptions of what it means to live a good life. To get a grasp of the nature of this role, it is useful

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[274] Karl E. Scheibe, *Beliefs and Values*, (New York, NY: Holt, Rinehart and Winstron, Inc., 1970), pp. 41-2.
[275] Ibid., p. 47.
[276] Ibid., p. 47.

to examine one further manner in which values have been categorised over and above those already reviewed. Primary values are goods or evils to which humans commit that will respectively benefit or harm every person by way of the needs and capacities inherent in human nature as such.[277] Secondary values, which are likewise an indispensable part of human existence, depend on primary values. They derive their status, according to Kekes, from "... historically, socially, and culturally variable aspects of good lives." But instead of being essentially grounded in human nature, secondary values are associated with human individuality. Each of us is different on certain levels, and Kekes has found a useful way of describing this phenomenon by reference to differences in human character and circumstances.[278]

As a solid understanding of the difference between primary and secondary values is central to a coherent explanation of the nature of the relationship between values and conceptions of a good life, it is appropriate to spend a little longer on the topic. Let me begin the expanded commentary by introducing the work of pioneering personality psychologist, Abraham Maslow. In the early 1940s, he published a paper entitled *A Theory of Human Motivation*. In it he argues that human needs fall into five categories, and that the categories in turn are part of an empirically observable hierarchy.[279]

Located at the most primitive or lowest level are what he calls *physiological needs*. These include the drives to satisfy our hunger and thirst, to keep warm, to find opportunity for sexual release, and so forth. Unless

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[277] I wish to make clear that the type of eudaimonistic theory to which I am here subscribing is one that accepts, as given, the existence of something called 'human nature'. This, of course, is by no means an uncontroversial tenet of Western philosophy. Moreover, even among those who do hold to its existence, there are several radically different interpretations of what it is. For instance, the Hobbesian view is entirely different to the more sanguine perspective of, say, Aristotle.

[278] See the discussion in John Kekes, *Moral Wisdom and Good Lives*, (Ithaca, NY: Cornell University Press, 1995), pp. 19-24.

these needs are satisfied, he argues, we have little interest in attempting to satisfy the next level. "Freedom, love, community feeling, respect, philosophy, all may be waved aside as fripperies which are useless since they fail to fill the stomach. Such a man may fairly be said to live by bread alone."

When physiological needs are being adequately satisfied, then, according to Maslow, they begin to lose their motivating influence. The valued objects of desire now become something else, falling into a category he names *safety needs*. Once the belly is full, the individual begins thinking in terms of the preservation of personal safety and security. Desires and needs are now directed towards maintaining stability, and continuity of access to the goods that satisfy basic survival needs, and on bringing a sense of order and predictability into one's life. These remain the predominant drivers until, on becoming consistently satisfied, they in turn lose their motivational force.

At this point, according to Maslow, a range of goods associated with the *need for social and personal intimacy* emerges to prominence as the objects of desire. Under their influence, one is driven by a need for a sense of belonging, for friendship, and for relationship. The penultimate stratum in the hierarchy centres on so-called *esteem needs*. At this level, agents are driven by a desire to be respected by their peers, to be recognised both for who they are and for their achievements, and by a need for self-respect. The fifth and final level sees agents motivated by the *need for self-actualisation*, that is, towards recognition that each one is on a pathway that is likely to lead to an appropriate expression of his or her unique individuality, and the fulfillment of personal potential.

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[279] Abraham H. Maslow, *A Theory of Human Motivation*, Psychological Review, 50, (July, 1943), pp. 371-396.

Maslow argues that the human values postulated within this taxonomy are sought progressively in the order stipulated. We tend to be preoccupied with, and motivated by, the particular batch of needs operating at the level currently obtaining in our lives. The order is not immutable, however, and does not hold for everyone; but, by and large, this is the general sequence that he observed operating in a majority of cases. While Maslow produced a significant body of work in the field of personal and developmental psychology, much of which was controversial, my interest here is limited to the specific theory presented. This did, in fact, receive widespread support, and continues to do so, including from many of those interested in workplace motivation.

I have chosen to introduce Maslow's *Hierarchy of Needs* construct at this juncture for two reasons. In the first instance, it presents a coherent framework within which we can clearly identify the meaning of primary values. The needs operating at all five levels of the hierarchy exist because they are part and parcel of what human existence is all about. We have these needs in virtue of our shared humanness. My second reason relates to the high level of credibility it enjoys within the Australian organisational community. Used normally in the context of its explanatory power in respect of workplace motivation, its credibility can be leveraged to good effect for the purpose of explaining the difference between primary and secondary values.

With the benefit of this explanatory model, it is possible to explore more fully the moral significance of human desires. Kekes suggests that according to a eudaimonistic conception, primary values can be thought of as setting the moral limits or boundaries governing the extent to which a life can be considered good. Thus, for instance, if I am deprived of the satisfaction of my needs at any level on the Maslovian hierarchy, and if this deprivation turns into an consistent pattern, then it will have the effect of making it very difficult for me, if not impossible, to live a good life. This provides a clue as to why

Aristotle considered such goods as friendship, health, some good fortune, et cetera, as part of parcel of what is needed to achieve *eudaimonia*.[280]

Secondary values, for their part, define what Kekes calls our moral possibilities. Unlike primary values that inhere in human nature, these are specific to each individual. Each of us is defined, on this view, by what results from the unique intersection of the prevailing facts of our individual characters, and the particular combination of circumstances that have shaped our current realities. It will be remembered that the 'facts' of one's character comprise the five critical variables nominated by Kekes, namely, the desires, capacities, opportunities, values and actions.

For their part, one's circumstances include the social, cultural, political, economic, historical, technological, religious, ethnic and aesthetic influences that, in combination, have created and shaped the context within which individuals live. When one considers the interplay of variable character sets and variable circumstances, it becomes easy to appreciate the difference and diversity between people, a not insignificant issue in the context of leadership ethics. (I will return this important point in the Epilogue.) The extent to which I may be able to live a good life, then, depends on the connections between the facts of my character, as influenced by my primary values, and the circumstances of my life as determined by secondary ones. Kekes sums up the eudaimonistic challenge as that of recognising the meaning of these connections, striving to learn their significance, and then engaging one's reflective capacities so as to configure one's values in such a way that their lived expression equates to a flourishing life.[281]

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[280] I refer the reader back to the account of Aristotle's ethics given in Chapter 6.

[281] Within the Western tradition, positions taken in answering the question, What constitutes a good human life? fall into three categories: objectivist, subjectivist and combinationist. Objectivists, in the tradition of Plato and Aristotle, point to a single ideal against which the worthiness of a life should be assessed. As we saw in Chapter 6, for Aristotle this is by no means a simple notion, either conceptually or in terms of ease of

7.23 Control, judgement and mastery

There are two reasons why the concept of sound judgement is important to my overall argument. One can be termed 'cosmetic' and the other substantive, but both are important. On the cosmetic dimension, to speak of the need for sound judgement, on the part of corporate managers, is to speak within the accepted idiom. All senior executives like to think that their direct reports uniformly display it in good measure. To illustrate what I mean, let me again invoke the 'redundant question' device introduced earlier (see §5.5xxx). In doing so, I will extend the notion beyond that already discussed earlier. For instance, to ask a CEO if she is interested in improving the ethical consciousness of her managers, you can confidently expect an affirmative reply. Yet this question does not pass the 'redundant question' test.

The reason is that real conviction will most likely be lacking when it comes to doing something in pursuance of the affirmed developmental objective. This is because the notion of ethical consciousness falls outside the idiomatic boundaries. It is likely to be perceived as soft as opposed to hard; nebulous as opposed to clear; flaky as opposed to concrete; ephemeral as

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achievement. It means a life lived in a manner consistent with a complete expression of our essential *ergon*, that is, becoming fully rational and disciplined beings. For their part, subjectivists tend to conflate happiness and the good life in a more straightforward way, arguing that we are just as happy as we think we are, or perhaps more accurately, as we feel. And, if we succeed in living happily, then it is by definition a good life. There is no normative component to this conception. If I feel happy with my life, then so be it. The fact that others may despise my lifestyle and values is of no consequence, provided I am not committing crimes. Combinationists take the view that there are both objective and subjective dimensions to the good life. By way of example, consider the so-called dominant-end view of *eudaimonia*. This refers to those lives lived in single-minded pursuit of one specific end, to the virtual exclusion of all others. Virtuous examples of this conception can be seen in those individuals who devote their lives selflessly and tirelessly to the service of others, the late Mother Teresa of Calcutta springing to mind by way of example.[281] This conception is subjective in that the agent autonomously chooses what the dominant-end is going to be. It is objective in that it affirms happiness (satisfaction, contentment, et cetera) as an intrinsic good in virtue of its being, in the words of Taylor "... the authentic manifestation of an individual's autonomous choice of his own selfhood."

opposed to sturdy. An ability for consistently sound judgement', on the other hand, will tend to be perceived in the reverse manner. 'Cosmetics', in the sense in which the term is being used here, is largely about perception, putting a certain 'spin' on things.

What of the substantive element of judgement? My opening claim is that many judgements made, during the course of human affairs, appear as discreet events in time and space to third-party observers. Thus, it may appear to my colleagues, in our shared study room, that I have made a judgement, right this moment, here at my desk. The reality, I believe, is quite different in most cases. Judgement is better thought of as a process. What can appear as a discreet event with observable manifestation (e.g. I say to my colleagues, Guess what I've just decided?), is more realistically the end point in a chain of events that will have involved some combination of cognitive, affective and conative elements over a period of time. Moreover, at least some of these 'events' can reasonably be expected to have taken place outside of my conscious awareness.

Another important feature of any judgement is its outcome, which, by definition, involves a decision being reached about what to do or not to do in a given set of circumstances. One guideline on how the circumstances in question relate to the decision to be made is provided by the practical syllogism. A useful expression of this, following Kekes, goes as follows:

- Minor premise: *Given that the agent wants to achieve a certain outcome (or good).*
- Major premise, *Given that this is the situation being faced* (providing description thereof).
- Conclusion: Then here's what ought to be done.

With the practical syllogism, it is important to remember that the conclusion must always involve an exhortation to action (hence the term 'practical'). Deriving from this syllogism, we can now refine our understanding of judgement as the process through which a decision is arrived at to do, or not to do, something, given the good the agent wants to attain, and given her concrete circumstances.

Another substantive element relates to the quality of judgements made, for clearly they lie on a spectrum ranging from the impeccable, through the ordinary, to the awful. This is an important distinction in the context of capturing the interest of the senior-level corporate decision-maker. No CEO would be willing to invest continuing confidence in managers whose overall performance, in terms of quality of judgements made, is perceived as lying towards the lower end of the spectrum. How, then, do we differentiate between the good and the bad? Within the eudaimonistic framework set by the five principles outlined at the end of Chapter 6, I believe some guidelines are available to address this.

From the principle advocating the need for the agent to have a well thought out conception of what it means to live a good life, it can be deduced that good judgement lies in the ability to discern those aspects of concrete situations that can be changed, for the purpose of making life better.[282] Another, from the holism principle, suggests that good judgement reflects consideration of the whole picture, including a preparedness to evaluate, in any given situation, not only the appropriateness of what one wants to achieve (the desired *end*), but also those strategies available to make it happen (the means).

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[282] John Kekes, *Moral Wisdom and Good Lives,* (Ithaca, NY: Cornell University Press, 1995), p. 26.

A third, deriving from the integrated psychological profile of eudaimonism-centred thinking, is the admonition that the gut and heart be engaged, in addition to the head, when important judgements have to be made.

The foregoing account of control and judgement can be thought of as a necessary prelude to a more complete and advanced capability, that of achieving mastery over the general thrust and direction of one's life. To explain this, let me begin by drawing attention to a common condition with which most of us must grapple. This is the human proclivity to attribute blame to others. This often starts in childhood as a self-protective coping strategy. "*Mummy, It wasn't me who stole the cookies; it was Sally.*" As we grow older, we quickly discover that we can extricate ourselves from many forms of difficulty by astute re-assignment of culpability. In more extreme cases of compulsive maladaptive behaviours, the agent can actually create the problem so as to set up the opportunity to pass on the blame to the intended victim.

If this trend is not arrested, it is not unusual for individual lives to move out of sync with the world in which they are being played out. One consequence of this, as Kekes correctly points out, is for those agents to attempt to restore equilibrium by trying to change the world. At a point in time when they should be seeking to adapt their own lives to fit external reality, they are compulsively attempting to do the reverse, an enterprise doomed to failure. Self-mastery is the felicitous condition attained by those individuals who have progressed through the various intermediate stages of achieving incrementally greater control over the interplay between their characters and circumstances.

The functional hallmark of someone with a high level of self-mastery is a well thought out, and regularly reviewed, conception of what it means to live a

good life. This, in turn, will tend to be reflected in the agent in question having a clearly established set of prioritised values, against which decisions, choices, and judgements that lead to actions, will be checked. Moreover, this individual will understand that not all her desires can reasonably be expected to be met. She will be comfortable with the art of compromise. She will expect to have to sacrifice the possibility of satisfying some wants or desires, in order to realise others. Moreover, she will be comfortable with this.

As mentioned at the outset, however, the road to self-mastery begins with a recognition of the need to exert control. Not over the external world, but over the psychologically-grounded impulses of the self. Moreover, it is the incrementally improving control that results from this recognition, and a willingness to act on it, that leads in turn to a capacity for incrementally better judgement.[283]

7.24 Marking the relevance

I have argued above for the importance of learning how to exercise the sort of judicious control needed to manage one's desires. The aim is to be in control of one's psychological state, thus avoiding the reverse condition. Before moving to the final part of my argument, describing how the discipline of *critical eudaimonistic reflection* can be employed to achieve this form of control, I draw attention briefly to the fact that I am, by no means, a lone voice in promoting the relevance of self-mastery to the enterprise of effective organisational leadership. Within the recent O&M literature, Senge has been a strong advocate of what he refers to as the discipline of personal mastery.[284] In suggesting that those with higher levels of personal mastery are consistently the ones displaying above average leadership performance, he lists various

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[283] A good account of self-mastery of the type discussed here can be found in John, *The Examined Life,* (University Park, PA: Pennsylvania State University Press, 1988), pp. 20-30.
[284] See, Peter M. Senge, Peter M., *The Fifth Discipline: The Art and Practice of the Learning Organization,* (London: Century Business, 1992), especially pp. 142-143.

attributes he considers hallmarks of the achievement. These include capacities for (a) continuous learning from experience, (b) high levels of empathy, (c) being self-motivated, (d) being seen as 'connected' to others, (e) pursuing and achieving higher levels of emotional maturity, and (f) having a better understanding of the meaning of happiness. To my knowledge, Senge is not an Aristotelian scholar. I have been able to find no such reference in his work. Yet, he seems to have intuitively arrived at conclusions that align very closely with the thrust of my own argument. I find this encouraging on account of his well-regarded reputation in the corporate world.

7.3 Critical Eudaimonistic Reflection

7.31 Reflection

I would like to begin by describing clearly what I mean by the notion of reflection. To reflect on something means to think carefully about it. It can be distinguished from idle day dreaming, which allows the mind to wander in every which way and invariably conjure up a raft of either pleasant or unpleasant thoughts and emotions. It can further be distinguished from what might be called 'thoughtful consideration'. It is not yet to be engaged in the reflective process if my attention is merely engaging comfortably, perhaps even kindly, with an object of thought, for instance, a person or circumstance. It can also be distinguished from meditation, which generally seeks to ease the conscious mind into a state of quiet inattention, perhaps even to induce a state of altered consciousness.

Thus, Boud et al define reflection as "... a generic term for those intellectual and affective activities in which individuals engage to explore their experiences in order to lead to new understandings and appreciation." [285] This

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[285] D. Boud, R. Keogh, and D. Walker, Introduction, in D. Boud, R. Keogh, and D. Walker (eds.), Reflection: Turning Experience into Learning, (London, UK: Routledge and Kegan Paul, 1985).

is instructive in that it draws attention to two important insights. The first relates to the fact that in reflective exploration of our experiences, we are expected to bring to bear some form of affective as well as cognitive evaluation. We should attempt, in other words, to reconstruct the emotional content of a given experience to complement what will be revealed through the purely cognitive reconstruction. Second, the definition makes clear that in the same way that we might associate a pleasurable interlude with day dreaming, or deep relaxation with meditation, we should associate learning and insight with reflection. Thus, the term is intended to imply a systematic effort to pay attention to a selected object of experience, for the purpose of evaluating it with the benefit of both cognitive and affective reconstruction.

Reflection becomes ethical reflection when the evaluative component is explicitly directed towards assessing its object in terms of good or bad, right or wrong, suggesting perhaps that every reflective effort is ethical to some degree. Nevertheless, I am comfortable to make the distinction here for the purpose of emphasising the need for the evaluation to be explicitly ethical. To understand what I mean by this, it is merely necessary to recognise the difference between evaluating an object as nice or not nice versus right or wrong.

To extend the analysis a little further, let us consider the thoughts of a contemporary philosopher with a specific interest in the art of ethical reflection. McCollough suggests that it consists "... not of analysis and application of principles derived from historical texts, but of critical analysis of what we say, what we do, what we are."[286] We hold, he contends, a set of beliefs about these things, which may not be warrantable. As such, part of the process of developing moral authority is learning how to apply evaluative scrutiny, taking

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[286] Thomas .E. McCollough, *The Moral Imagination and Public Life: Raising the Ethical Question*, (Chatham, NJ: Chatham House Publishers Inc., 1991).

care to ensure that it is sufficiently critical. For many of us, the tendency is judge ourselves too kindly rather than too harshly.

With this background in mind, I introduce the notion of critical eudaimonistic reflection, suggesting that it be thought of as the discipline, which managerial leaders need to master, for the purpose of becoming more ethically competent.[287]

7.32 *Adding eudaimonistic discipline*

In using the term 'discipline' I wish to invoke two of its meanings for present purposes. In one sense, to call critical eudaimonistic reflection a discipline is to assign to it the status of a set of practices that are, or might be, formally codified. I am thus suggesting that we view it in the same way we might view the 'discipline' of bridge-building within civil engineering. If one carefully follows the prescriptive guidelines established within the discipline, the job gets done well. The other sense of the term to be invoked is suggested by the phrase, "Personal discipline needs to be shown by a manager wishing to become an ethically competent practitioner". In respect of this, however, a small but important distinction needs to be made. While critical eudaimonistic reflection, as here interpreted, requires discipline on the manager's part, it need not interfere in any significant way with busy work schedules. Critical reflection sessions can be undertaken in the shower, the bath, in bed, driving to work, or while taking a quiet five-minute stroll during the day.

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[287] I wish to draw to the reader's attention my recognition of the fact that I am by no means alone in espousing the need for organisational leaders to adopt more critically reflective practice. Ciulla, in fact, calls critical thinking a "fundamental leadership competency". See, Joanne B. Ciulla, *Ethics and Critical Thinking in Leadership Education,* The Journal of Leadership Studies, Vol. 3, No. 3, (1996), p. 111 in pp. 110-119. It should also be said, in fairness, that this recognition is not limited to philosophers. As far back as 1964, Brouwer advocated the same message in the Harvard Business Review. See, Paul J. Brouwer, *The Power to See Ourselves,* Harvard Business Review, Nov-Dec, (1964), pp. 36-43.

Nevertheless, the need for discipline is still present, because there is no shortage of managers in contemporary Australia who will argue vehemently that they have absolutely no discretionary time in their alleged '24-7' working lives.

I call the form of reflective discipline I wish to promote 'eudaimonistic' for three main reasons. The first has to do with the fact that the principal referential focus in the intended critique is directed towards the interplay of character and circumstance, and does so in a manner that requires the critique to take account of affective and well as cognitive factors. The second relates to the manner in which the critique needs to be made 'holistic' in a number of quite specific senses. The third involves the essential connection between reflection and action.

7.33 Reflection on character and circumstance

I begin by reminding the reader that the role of leader was characterised earlier in the argument as intimately associated with the capacity to build and maintain high-trust communities. From this perspective, for leaders to be critically reflective, they need to give disciplined consideration to a range of questions, including the following: To what extent can the manner in which I exercise my legitimate authority over others be adjudged fair and just? To what extent is my use of power morally legitimate? To what extent am I a genuinely trustworthy person? To what extent am I willing to be trusting? To what extent do I set goals that are morally defensible? To what extent are the strategies I advocate, for the achievement of these goals, morally defensible? This is by no means an exhaustive list. In fact, it could easily be extended to a thoroughly unmanageable length, which would have the effect of discouraging would-be students of the critically reflective process. (Again, let me emphasise that this is an important practical consideration for busy managers. If the

syllabus is made to appear too demanding, their enthusiasm for participation will diminish.)

One way of avoiding the pitfall is by subsuming the list of questions to be addressed within a more manageable set of parameters, or more accurately, what is likely to be perceived as a more manageable set of parameters. This can be achieved by nominating, as the object of required reflection, the overtly straightforward interplay between one's character and circumstances. Portrayed this way, the challenge does not sound quite so daunting.[288]

In respect of reflection on the facts of one's character, learners can draw on the framework described earlier in this chapter, directing their reflective gaze on the five variables identified. In doing so, novices in the arena of critical self-evaluation will come to realise that they are entirely in thrall to a set of defining forces that have been largely outside their control, in consequence, partly at least, of the existence of the forces having been outside their conscious awareness. On coming to know them better, the learner will discover that they are quite eclectic in nature. They will derive, *inter alia*, from the lottery-style endowments of genetic inheritance, from one's early formative experiences, and will have reached their present expression in virtue of the many other socialisation influences associated with the particular cultural, educational, and societal milieu in which individuals have found themselves.

These are the 'circumstances' of our individual lives which, via an on-going commerce with our individual characters, determine the extent to which we will adjudge, in at least a descriptive sense, the level of goodness in those lives. Thus, the process of forging greater reflective insight into the interplay of one's character and circumstances must start with placing of the relevant facts

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[288] The reality is, of course, that the devil lies in the details. The level of complexity associated with effective moral evaluation of the interplay of one's character and

into explicit focus. The eudaimonistic critique now asks for the descriptive profile just arrived at to be cross-referred to the normative ideal represented by one's conception of what it means to live a good life. At this juncture, the novice may well discover that no well-thought-out conception actually exists. Reflective soul-searching will therefore needed.

To assist the novice in meeting this challenge, we need to introduce another variable into the overall reflective equation. This comes collectively in the form of what Kekes calls the *permanent adversities* to which the quality of our lives is continually and relentlessly vulnerable. These adversities are like obstacles or barriers that appear from time to time, with no apparent predictability. No matter how well we plan, no matter how well intentioned our motives, no matter how morally authoritative we feel, these adversities seem capable of thwarting our best attempts to live good lives. They fall into three generic sub-categories: contingency, conflict, and evil.

Adverse contingent facts, which disrupt our lives, can come from purely serendipitous happenings. We fall ill, we have accidents, we experience the grief associated with the loss of loved ones. We experience insecurities and anxieties, and a host of other debilitating emotions, sometimes to an unmanageable degree. We can become victims of injustice, persecution, exploitation, discrimination, or social and political unrest. Contingency, in this sense, has long been a theme in literature as well as moral philosophy, and the same consolative succour can be found in both sources. Shakespeare, for instance, with the tale of King Lear, tells us that goodness can lead to suffering, that attempts at moral development need not be rewarded, and that people

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circumstances is potentially immense. But this need not concern us at this juncture. I will, however, return to it later in the chapter.

often come to undeserved harm. Harold Kushner, the contemporary American Jewish theologian, tells us that "bad things happen to good people".[289]

Kekes tells us that our wellbeing is often at the mercy of conditions over which we enjoy neither control nor any form of decisive influence. He calls this a "non-anthropocentric truth", meaning that while its logic may be evident to God or some other sufficiently intelligent being, it is beyond our reach as human agents. It is morally significant anthropocentric fact, however, that no matter how virtuously we try to live our lives, we are never the masters of our fate. "Virtue", as Kekes puts it, simply "does not guarantee a good life."[290]

We can now appreciate a key reason why Aristotle, unlike Socrates before him, never felt that virtue alone was enough for a good life. More is needed, according to the former, the first eudaimonist. To live a good life also requires a fair share of good luck, some willing and helpful friends, and continuously providential external circumstances, none of which can be guaranteed despite our best efforts and best intentions. (Some might argue that these reflections lend of this lend some weight to the plausibility of Flanagan's recent assertion, as follows: "The question "What makes life worth living?" assumes that life is or can be worth living. Perhaps this is an unwarranted assumption. The question "Is life worth living" comes first.")[291]

Another category of adversity to which we are inevitably subject, by dint of our humanness, has to do with the innate conflicts that inevitably accompany the plurality of values to which we variously commit. *Why can't I enjoy both fulfillment in my professional life, and contentment in my private world? Why can't I enjoy going to the gym every day as much as I value the health benefits*

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[289] Harold S. Kushner, *When Bad Things Happen to Good People,* (London, UK: Pan Books, 1982).

[290] John Kekes, *Moral Wisdom and Good Lives,* (Ithaca, NY: Cornell University Press, 1995), p. 53.

of doing so? The list is endless. Moreover, as if to accentuate the psychologically existential pain associated with this particular form of adversity, those of us 'lucky' enough to live in the so-called advanced Western societies, tend to have so many of our more fundamental needs satisfied so readily. We certainly do not have to concern ourselves about the two lowest levels of the Maslovian hierarchy. And yet, levels of contentment are no higher with us than elsewhere. We can feel doubly cheated by the forces of conflict!

To the extent that we are human, according to Kekes and to Aristotle before him, there is evil in our souls. As much as we might want to deny it with sincerely felt indignation, the evidence points to its truth. Socrates believed that evil amounted to no more than ignorance of the good. If you reflect long and hard enough, you come to know the good. Knowing the good will motivate you to do or be good, and reject evil. This is an uplifting Socratic sentiment that is nice to hear, and would be even nicer to be able to accept. As a thesis, however, it surely fails Flanagan's contemporary test of minimum psychological realism[292]. We are motivated, in reality, by many things, including jealousy, inordinate desire for certain types of pleasure, resentment, envy, fear, anger, avarice and pride. Again, the list is by no means exhaustive. Socrates did not have the benefit of studying the empirical findings of the work of Freud and Jung. We now know that a large part of the human motivational economy lies outside the conscious awareness of all but the very low percentage of highly evolved individuals.

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[291] Owen Flanagan, Owen, *Self Expressions: Mind, Morals, and the Meaning of Life,* (New York: Oxford University Press, 1996), p. 3.

[292] For Flanagan, there are certain minimum requirements, of a psychological variety, that must be met, in order for a moral discrimination to be deemed valid in reference to some normative yardstick. His testing for minimum psychological realism includes, but is not restricted to, consideration of the role of emotion in the process of arriving at discriminations and judgements. See, Owen Flanagan, *Varieties of Moral Personality: Ethics and Psychological Realism,* (Cambridge, MA: Harvard University Press, 1991).

The account given above offers but an introduction to the nature of contingency, conflict and evil in so far as they represent the sorts of permanent adversities to which our ethical natures are subject. The main reason for drawing attention to them resides in the pivotal role they play in explaining, not only the nature of critical eudaimonistic reflection, but the manner in which it can lead to more deliberate control of the interplay between character and circumstance.

Without adequate self-awareness, we lack the ability to see the entirely fortuitous nature of this critical interplay. We may think it good, but be mistaken. We are, in effect, working on the assumption that the descriptions and interpretations of the facts, as we know them, are accurate.

As we have seen, however, included among what we consider to be objective facts, are subjectively evaluated desires, dreams, hopes, fears, aversions and memories. This, moreover, is without taking consideration of the possibility that other relevant facts might even exist, of which we are not aware. Important progress gets made, in movement towards greater control, when two events coincide. The first involves simple recognition of the fact that the interplay of one's character and circumstance will remain fortuitous until we take purposeful action, via a critically reflective approach self-awareness, to make it deliberate. The second involves the formulation of a deliberate conception of a good life. The significance of the coinciding of these two factors lies in the fact that, having a clearly thought out conception of what it means to live a good life, acts to guide the direction and momentum of the former. Thus, one can now begin to understand that many of our prior, unreflective interpretive accounts were inadequate in some way, varying from mildly misguided to just plain wrong.

These realisations, as they gather momentum, serve two important functions, one primary and the other secondary. In the primary instance, they

motivate us to look even more critically at the character-circumstance matrix that has thus far revealed a fair amount of what Kekes calls "anomalies and surprises", most of which carry with them a salutary lesson of some sort. In the secondary instance, they motivate us to want to change in line with, what we now know to be, something better.

7.34 Reflection and holism

For a reflective discipline to be deemed eudaimonistic, in the spirit of the account given in the last two chapters, it must demonstrate a capacity to facilitate the realisation of holistic insights. As the meaning of reflective holism is *prima facie* indeterminate, it is necessary to set some structural boundaries at the outset. To this end, I begin with the claim that a useful set of commencement parameters is available, by thinking in terms of the need for two types of holism, what I call the *horizontal* and the *vertical*. While the former is intended to ensure breadth of moral perspective, the latter deals with depth. In the paragraphs that follow, I will show that the breadth perspective can be gainfully explored and articulated by starting with the dichotomous relation between self and other erstwhile. Likewise, I will show that progress can be made on the depth side by examining the relation between 'horizons' and 'projects'.

7.341 A breadth perspective in reflective holism

There are three ways in which conceptions of what is meant by 'self' can be postulated. The first of these is captured in the idea of an agent holding a primary commitment to what I call *my story*. In this formulation, I see my life as being entirely or largely about me. What counts as valid is my way of seeing things, my beliefs and values. Appropriate feelings are those that I experience, to the degrees of intensity with which I experience them. Appropriate moral sentiments are those that I hold, for whatever reason. And so forth. Within the boundary parameters of this conception, the self is wrapped up completely

in my self. All other persons reside outside, in varying degrees of proximity in direct correlation to with I perceive as the extent to which their worldviews coincide with my own.

Then there a view of self captured in the notion of *our story*. In this formulation, I readily see 'the other' as an integral part of who I am and those things for which I stand. To the degree that I have physical, cognitive, emotional, motivational, instinctual, volitional and other experiences, I assess them in terms of either their intended or actualised impact on others. Finally, there are those who hold a view of 'self' best reflected in the notion of *the story*. In this group are those who readily align their individual identities with a normative, ideological, or some sort of other ideal. An example would be the devout Muslim who sees his life as a literal, as well as figurative, surrender to the will of Allah. As this notion of personal surrender is the ideological as well as theological cornerstone of Islamic belief, then the individual self comes to be indistinguishable from a collective one, for those who are the true believers.

The doctrine of eudaimonism clearly embraces the second of these formulations, in the sense that it holds to a view of self that is inclusive of the other.[293] In consequence, a normative model of critical reflection, that claims to be eudaimonistic in structure, must find a way of accommodating this inclusiveness. I believe the necessary connection can be ensured by reference to the notion of moral imagination.

Johnson defines moral imagination as the "... ability to imaginatively discern various possibilities for acting in a given situation and to envision the potential help and harm that are likely to result from a given action."[294] Thus, at a very basic level, the following question would suggest itself to a managerial

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[293] I am making this as a factual statement rather than a claim. Supporting evidence can be found, *inter alia,* in Annas, op. cit., pp. 439-455.

[294] Mark Johnson, *Moral Imagination,* (Chicago, IL: University of Chicago Press, 1993), p. 202.

leader considering a particular course of action: "How might my peers, or my subordinates, view this particular strategy?" By reflecting on what she construes as the probable answer each would give, she is likely to discover perspectives that differ from her own. Comparative evaluation of these might then lead her to conclude that the original strategy, altered in some way, or perhaps abandoned altogether in favour of an alternative, would be morally and otherwise preferable.

Kekes takes this into the more abstract domain by suggesting that it is a function of moral imagination to enlarge the field of ethical possibilities open to us, when considering ways in which to deal with life's challenges, especially in the face of adversity. When the realisation of possibilities is dependent on one's existing conception of the good, and, when that realisation gets threatened by contingency, conflict or evil, it is time to invoke a more morally imaginative frame of reference. When the arrival of an adversity forecloses on one possibility, imagination opens up other ways. Another way of thinking about moral imagination, then, is to see it as necessitating a regular reflective re-appraisal of one's values.

An especially fruitful engagement of moral imagination takes place when we learn to see the narrowness or shallowness of our existing conceptions of what it means to live a good life. As Kekes makes clear, the greater the breadth of our moral landscape, the less likely we are to be significantly discommoded by the closing off of certain possibilities, on account of the unexpected impact of an adversity. For his part, McCollough draws further attention to the contribution of moral imagination to a well-developed capacity for critical eudaimonistic reflection, with the assertion that moral imagination "... considers an issue in the light of the whole."[295] But it is not so much the explicit reference to holism that captures the interest, as the manner in which

he describes what constitutes "the whole". He argues that for the purpose of developing a fully empathetic perspective, the reflective agent needs to be capable of recognising the implications of the critical intersection between institutional functioning and personal morality. In his own words: "The whole is not only the complex interrelated functional aspects of a society's economic, political and social institutions. It is also the traditions, beliefs, values, ideals, and hopes of its members, who constitute a community with a stake in the good life and a hopeful future." [296]

What he is effectively doing here is drawing attention to the need for corporate leaders to expand their perspectival horizons. This, he argues, they need to do in such a way that their important judgements and decisions reflect not only a solid base of persuasive rationality, but also an appreciation of the psychological domain of human responsiveness. This domain, it will be recalled from Chapter 4, includes the operation of such potent forces as those relating to personal identity, loyalties, obligations, promises, love, trust, and hope. Good ethical judgement, he concludes, "... consists in making these values explicit, and taking responsibility for judging their implications for action".[297]

7.342 A depth perspective in reflective holism

When I talk about the desirability of cultivating a depth perspective to one's reflective capacities, I have in mind a quite specific notion. To explain it, let me call on my Agritest experiences for one last time, on this occasion to introduce the reader to Richard Smith, a senior scientist at head office. He had jointed the company straight from university, graduating with both bachelor and master degrees in a relevant scientific discipline. In his first six years with the company, he progressed from scientific officer to laboratory scientist to

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[295] Thomas McCollough, op. cit., p. 17.
[296] Ibid., p. 17.

senior scientist. His career, apparently, was on a fast track. Even though he enjoyed a good remuneration package, with which he was more than satisfied, Richard had become less than ideally happy in his work. And, because his work had become such a time-consuming and important part of his world, the felt undercurrent of dissatisfaction had begun to spread into his private life.

Richard later recounted to me that, on reflection, he had begun to feel disappointed in other people. He had, for instance, come to see how some individuals consistently manage to appropriate credit but assign blame. On one personalised and specific level, he felt that he had been overlooked for an important promotion six months earlier, when a rare Department Head role became available for which he, and many of his colleagues, felt he was especially well suited. Moreover, despite his relative youthfulness at the time (twenty eight), he was considered 'ready'. The job, however, went to what was widely perceived as a much less deserving colleague.

While it was generally acknowledged among peers that Richard had worked hard at perfecting his scientific skills, and as having every attempt to be helpful and accommodating to his co-workers, the successful candidate – now Richard's boss – was seen to have gotten the job by 'brown-nosing the brass'.[298] Richard confided in me that he had become very disillusioned by these events, and had come to feel that values such as appeal to reason, a fair attitude, and a sense of personal decency do not seem to guarantee the felicitous realisation of one's aspirations.

In the eight years that intervened between this promotion disappointment and the time I met him during my project, Richard says that his earlier disappointment had been progressively compounded and reinforced by many others. Consistent with actuarial probability for his age group, he has

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[297] Thomas McCollough, op. cit., p. 17.

been through a marriage break-up, has lost a parent to cancer, and is finding it very hard to meet suitable prospective new partners. Moreover, he is still a senior scientist, albeit having progressed well financially. While he would like to leave Agritest and move to a bigger organisation offering better career prospects, this would require moving interstate or overseas. Richard, however, has two children from his marriage, the custody of whom he shares with his ex-wife. Moving away would mean leaving his children, which he does not want to do.

Experience shows that the 'Richard Smiths' of the world often continue down the slippery slope of existential disenchantment. Clinical psychologists would consider them high-risk candidates for full-blown emotional breakdowns. Richard, like many others in the early reaches of middle age, had reached the point at which life seems to have lost the sense of challenge, excitement, and meaning that was so prevalent ten years earlier. To arrive at this realisation is not a psychologically neutral event. It can rarely be reflected upon dispassionately. Rather, it can be expected to provoke feelings of despair, fear, self-pity, helplessness, and hopelessness.

If this pattern of emotional disintegration persists beyond the short-term, it can be destructive in at least two ways. First, it can sap one's energy and general sense of wellbeing. Second, it can work insidiously to undermine our moral motivation, that is, to want to continue making our best efforts to live a good life. If what we consider to have been our bests efforts and positive attitudes have let us down so badly, why should we continue with them?

To have developed a depth perspective in one's reflective capacities, as here conceived in a eudaimonistic expression, is to have developed certain a

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[298] A somewhat crude Australian metaphor, which is, no doubt, self-explanatory.

certain type of understanding of the human condition. It is to have arrived at the realisation that permanent adversities are a part of life. It is to have arrived at the point of realising that it is impossible to avoid them. Instead, it is about the achievement of the sort of sanguine serenity that comes from being at peace within oneself. Kekes regards it as arriving at the point of having "sensible hope". This kind of psycho-ethical maturity spares us, to some extent at least, the disappointments that inevitably come from being overly-reliant or expectant of others, or of "hounding the unresponsive heavens" in a bid to receive some supernatural relief from our misfortune. He summarises his position thus: "Moral depth does not promise good lives; it promises to make lives as free from contingency, conflict and evil as our character and circumstances allow."[299]

Critical eudaimonistic reflection, in its depth perspective, thus expresses itself through three distinct but interrelated functions. First, it makes explicit the inevitability and permanency of adversity in human life. Second, on a more personal level, it facilitates each of us to abandon the naïve hope that, for some inexplicable reason, reality will make an exception in "my case", smile kindly on me, and be hospitable to my endeavours. Third, in a direct contribution to the elevation of emotional intelligence, it facilitates correction of what otherwise would be misguided emotional reaction to the inevitability and permanency of adversity in our lives.

7.343 Summary

I have argued, in this section, for a specific type of reflective discipline. The capacity to examine oneself must have both *horizontal* and *vertical* dimensions, if it is to qualify as a true eudaimonistic critique in the Aristotelian tradition. In respect of the former, I have shown how the concept of moral

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[299] John Kekes, *Moral Wisdom and Good Lives*, (Ithaca, NY: Cornell University Press, 1995), p. 181.

imagination can be employed to inform the required syllabus content. This is largely because it deals with the need for reflective agents to learn how to open up their minds to a wider range of moral possibilities than might otherwise have been the case. In virtue of becoming more morally imaginative, in the sense here intended, the expectation is that the reflective individual will gradually evolve into a more thoughtful, empathetic, caring and compassionate person, all qualities relevant to the art and practice of effective leadership.[300]

The concept of moral depth, as it has been articulated recently within the neo-Aristotelian idiom of eudaimonism favoured by John Kekes, informs the syllabus in respect of bringing to the practice of self-reflective critique the necessary vertical dimension. In virtue of guiding the agent to a deeper understanding of the human condition, the aim is to increase her capacity for reasonable hope and resilience during the process of coping with life's inevitable vicissitudes. There are at least two specific lessons to be learned in this regard. First, no matter how reasonable, decent, and well intentioned we are, our best endeavours can, without warning or apparent justification, be thwarted by adversity. Second, the realisation that money, power, prestige, fame and reputation – all, incidentally, readily on offer in the higher echelons of corporate management - may offer little consolation or relief in the face of adversity, especially if its source is located in a character defect[301] within ourselves.

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[300] Solomon is one philosophical commentator on the corporate world who has drawn attention to the importance of, what some would call, the feminine virtues. See, Robert C. Solomon, *The Moral Psychology of Business: Care and Compassion in the Corporation*, Business Ethics Quarterly, Volume 8, Issue 3, (1998), pp. 515-533.

[301] The sort of character defect I have in mind could be something like an inadequate capacity for care and compassion, or an inflated self-image that leads to the abuse of positional power.

7.4 Overall Summary

I began this essay by discussing what were no more than subjectively held intuitive perceptions of the poor state of leadership practice among the ranks of contemporary Australian corporate managers. I showed that, on commencing a systematic investigation of the perceived problem, these concerns were quickly corroborated by the findings of the Karpin study.[302] Detailed study of these findings, especially when considered in light of phenomenological insights arising from my involvement at Agritest, led me to pinpoint, as a major source of the overall malaise, a blindspot in managerial consciousness. I argued that this blindspot could reasonably be construed as relating to inadequate ethical sensibility.

The notion of ethical sensibility proved itself a complex and challenging one to unravel. I eventually settled on *trust* – giving it and earning it - as a plausible unifying theme, and went on to conceptualise ethical sensibility in managerial leadership as ineluctably bound up with the building and maintaining of high-trust communities. How, then, to address the question of eradicating the blindspot?

I argued that to do this, both commercial and technical challenges need to be overcome. Commencing with the commercial, I showed that the applied ethicist, no matter how well-intentioned and knowledgeable, would be unlikely to succeed in the corporate arena without the capacity to satisfy the needs and concerns of the *hard-nosed decision-maker*. No development programme gets off the ground without the authorisation of this individual. I went on to argue that both willingness and ability to adopt the relevant corporate *idiom* are necessary prerequisites towards this end.

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[302] Industry Task Force on Leadership and Management Skills, *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century* (Canberra: Commonwealth of Australia, 1995), *aka* Karpin Report.

One way in which idiomatic compliance can be expedited, I argued, is through employment of appropriate conceptual models. With this in mind, I suggested re-framing the development challenge as one of *strategic organisational change*. In this regard, the change that one is endeavouring to effect, is systematic and progressive movement from lower to higher levels of ethical competence among the target population of managers. With the assistance of the *7-S Framework*, I proceeded to conceptualise the technical dimension of the overall challenge as broadly a pedagogical one, thus focussing attention on the construction and articulation of a robust syllabus. I went one step further to suggest that the focal point of that syllabus should be human character and its susceptibility for movement from fortuitous to deliberate states.

I then turned to the challenge of formulating a robust syllabus, suggesting the task be broken down into two components, formulating (a) a broad structural platform, and (b) the substantive content detail. In respect of the former, I made a case for selecting the ancient ethical doctrine of eudaimonism, presented in a contemporary neo-Aristotelian expression. Regarding the latter, I finished the essay by describing how the practice of critical eudaimonistic reflection can be leveraged to build the quality of personal control and judgement needed to underpin the emergence of a deliberate rather than purely fortuitous character.

Epilogue

Throughout this essay I have emphasised the need to meet the *practical* challenges associated with the fostering of greater ethical competence among corporate leaders in this country. While appropriately concerned with the formulation of a robust syllabus, I have called attention, at every suitable opportunity, to the realities attendant upon getting development programmes successfully off the ground, and once in process, maintaining their momentum. With this in mind, it seems appropriate to close the essay by drawing attention to one final practical challenge that had to be overcome.

I showed, in Chapter 7, how successful implementation of any development programme is dependent upon its having a robust syllabus, and I described how this, in turn, was a matter of attending both to questions of broad platform and specific content. In the real-world setting, however, one further element needs to be taken into consideration, the question of *delivery strategy*. Theoretically, the syllabus can simply exist on paper. For instance, it can reside in the leather-bound volume of a PhD dissertation, and serve no further purpose than that of repository for library dust. (The reader, familiar with the corporate world, will know that many expensive consulting reports receive this fate.)

When it comes to delivery strategy for executive development programmes in contemporary Australia, perhaps the most challenging obstacle, of all, to be overcome, is that of engendering sufficient enthusiasm on the part of the programme participants. The old aphorism "You can lead the horse to water, but you can't make him drink" surely applies.

Since completing the formal research work approximately three years ago, and contemporaneously with the academic task of writing this dissertation,

I have continued my consulting involvement not only with Agritest, but also with several other corporations, both in Australia and overseas. Through trial and error, I have discovered that there is a way for engendering enthusiasm, on the part of corporate managers, for the task of learning how to become more critically self-reflective. In short, it involves introducing them to the intrigue associated with the question, "Do you know what it is, at a deep level, that makes you tick?"

It should be noted that when this question is first posed in a corporate workshop setting, it can and often will be met with a chorus of dismissive comments like, "Who cares", or "I'm too busy for silly navel-gazing", and so forth. Here's where the workshop presenter needs both skill and emotional resilience, in addition to the requisite knowledge about the topic of unconscious motivational structures. Let me close with the claim, however, that experience continues to show that getting them engaged with this question will, in over eighty per cent of cases, have the effect of fuelling their interest to take up the challenge of learning how to become more critically self-reflective.

The work described in the preceding pages is, therefore, a work in progress.

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